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COMMONWEALTH OF PENNSYLVANIA
HOUSE OF REPRESENTATIVES

HOUSE APPROPRIATIONS COMMITTEE

BUDGET HEARING

MAIN CAPITOL BUILDING
HOUSE CHAMBER
HARRISBURG, PENNSYLVANIA

WEDNESDAY, MARCH 3, 2021
10:07 A.M.

- BEFORE: REPRESENTATIVE STANLEY SAYLOR
 MAJORITY CHAIRMAN
 REPRESENTATIVE ROSEMARY BROWN
 REPRESENTATIVE LYNDA SCHLEGEL-CULVER
 REPRESENTATIVE TORREN ECKER
 REPRESENTATIVE JONATHAN FRITZ
 REPRESENTATIVE KEITH GREINER
 REPRESENTATIVE DOYLE HEFFLEY
 REPRESENTATIVE JOHNATHAN HERSHEY
 REPRESENTATIVE LEE JAMES
 REPRESENTATIVE JOHN LAWRENCE
 REPRESENTATIVE ZACH MAKO
 REPRESENTATIVE NATALIE MIHALEK
 REPRESENTATIVE TIM O'NEAL
 REPRESENTATIVE CLINT OWLETT
 REPRESENTATIVE CHRIS QUINN
 REPRESENTATIVE GREG ROTHMAN (virtual)
 REPRESENTATIVE MEGHAN SCHROEDER
 REPRESENTATIVE JAMES STRUZZI
 REPRESENTATIVE JESSE TOPPER
 REPRESENTATIVE RYAN WARNER
 REPRESENTATIVE JEFF WHEELAND (virtual)
 REPRESENTATIVE DAVE ZIMMERMAN

- NON-COMMITTEE MEMBERS
 REPRESENTATIVE SHERYL DELOZIER
 REPRESENTATIVE FRANK FARRY
 REPRESENTATIVE ERIC NELSON

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REPRESENTATIVE MATT BRADFORD
MINORITY CHAIRMAN
REPRESENTATIVE AMEN BROWN
REPRESENTATIVE DONNA BULLOCK
REPRESENTATIVE MORGAN CEPHAS
REPRESENTATIVE AUSTIN DAVIS
REPRESENTATIVE ELIZABETH FIEDLER
REPRESENTATIVE MARTY FLYNN (virtual)
REPRESENTATIVE ED GAINEY (virtual)
REPRESENTATIVE PATTY KIM (virtual)
REPRESENTATIVE EMILY KINKEAD
REPRESENTATIVE STEPHEN KINSEY
REPRESENTATIVE LEANNE KRUEGER (virtual)
REPRESENTATIVE BENJAMIN SANCHEZ (virtual)
REPRESENTATIVE PETER SCHWEYER
REPRESENTATIVE JOE WEBSTER

NON-COMMITTEE MEMBERS

REPRESENTATIVE PAM DELISSIO
REPRESENTATIVE DAN WILLIAMS
REPRESENTATIVE JESSICA BENHAM
REPRESENTATIVE NAPOLEON NELSON
REPRESENTATIVE DAN FRANKEL (virtual)
REPRESENTATIVE BOB MERSKI (virtual)
REPRESENTATIVE PERRY WARREN (virtual)

DEPARTMENT OF HUMAN RESOURCES

SECRETARY TERESA D. MILLER
ANDREA RACE
DR. DOUG JACOBS
GLORIA GILLIGAN
JAMIE BUCHENAUER

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COMMITTEE STAFF PRESENT:
DAVID DONLEY
REPUBLICAN EXECUTIVE DIRECTOR

RITCHIE LAFAVER
REPUBLICAN DEPUTY EXECUTIVE DIRECTOR

ANN BALOGA
DEMOCRATIC EXECUTIVE DIRECTOR

TARA TREES
CHIEF COUNSEL

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CHAIRMAN SAYLOR: What I will say to you, because the - there's a remote stenographer, if you want, it's up to you whether you take off your mask or get as close as possible to the mic so that the stenographer can hear you. It not always works great around here, but masks sometimes muffle your voice. Make sure the stenographer can you, as well as the people at home who happen to be watching.

So if you would all rise and raise your right hand.

(WHEREUPON, WITNESSES SWORN EN MASSE.)

CHAIRMAN SAYLOR: And with that, we will start off with our first questioner, Representative Lynda Culver.

REPRESENTATIVE SCHLEGEL CULVER: Thank you, Mr. Chairman. Thank you, Madam Secretary, for being here.

I'm going to talk to you about a topic that I am very passionate about. And any time I speak, I always roam back to our youngest learners. They are our future. It's where we should be putting our investments. So I am a member of an early learning

1 investment committee, and we have been focused on
2 childcare the last several years, because they are
3 struggling, they have been closing. They're not
4 earning their stars, so we're finding, you know, the
5 quality in the daycares isn't where they want to be or
6 where they should be. So what we've identified is, you
7 know, childcare enables a family's stability. It
8 enables parents being able to work and provide for
9 their families. It provides a safe environment for
10 children to learn, grow and thrive. And quality
11 childcare, it allows us to cultivate that, which gives
12 the parent peace of mind. But what's most important to
13 the family is the affordability of the childcare. And
14 what's important to the provider is attracting and
15 retaining workers. So people don't go into the
16 childcare industry to make lots and lots of money.
17 There's a very small margin of profit there. They go
18 into it because they love children and they want to see
19 them thrive.

20 So I want to talk today a little bit
21 about childcare and the minimum wage increase and the
22 balance there. So in the proposed budget, there's a
23 little over \$30 million in federal funds included for
24 the minimum wage for childcare services. And there's
25 about \$180,000 in state and federal funds included in

1 childcare assistance.

2 So what is the annualized cost for the
3 fiscal year '22/'23 cost of the minimum wage increase
4 in childcare services and childcare assistance:

5 SECRETARY MILLER: I'm going to look to
6 my budget team to see if that's something that they
7 have off the top of their head. We have the '21/'22
8 numbers with us, but we can definitely get you the
9 '22/'23 annualization.

10 REPRESENTATIVE SCHLEGEL CULVER: Do you
11 have the '21/'22 numbers?

12 SECRETARY MILLER: You actually just
13 read them out to everyone, the 30 - little over \$30
14 million -.

15 REPRESENTATIVE SCHLEGEL CULVER: Just a
16 little closer to the mic for me, please.

17 SECRETARY MILLER: Yep. Sorry.

18 REPRESENTATIVE SCHLEGEL CULVER: Thanks.

19 SECRETARY MILLER: You just read them
20 out loud, actually. The little over \$30 million in
21 federal and the \$180,000 in state.

22 REPRESENTATIVE SCHLEGEL CULVER: Okay.

23 So this is going to be a little
24 complicated, but I'm sure you're going to get this.
25 Last year, the estimate cost of the minimum wage

1 increase in childcare assistance was nearly \$30
2 million. And this year the estimate cost decreased to
3 just \$180,000. The press release stated that the cost
4 of the March 1st rate increase for childcare assistance
5 was \$1.6 million in the fiscal year '21/'22. So I
6 guess my concern is can you explain how the impact of
7 the minimum wage increase can only be \$1.8 million,
8 including the March 1st rate increase, compared to the
9 \$30 million in the '20/'21 proposed budget?

10 SECRETARY MILLER: Thank you. At the
11 time that the minimum wage analysis was done, we did
12 not include an assumption on the base rates.

13 REPRESENTATIVE SCHLEGEL CULVER: I'm
14 sorry. You did not include what?

15 SECRETARY MILLER: The assumption on the
16 base rate increase at the time.

17 REPRESENTATIVE SCHLEGEL CULVER: Okay.

18 SECRETARY MILLER: I think we do plan to
19 take a better look at that analysis as the months go on
20 and maybe provide some updates.

21 REPRESENTATIVE SCHLEGEL CULVER: So that
22 will have impacts on the budget as we go forward.

23 Correct?

24 SECRETARY MILLER: We haven't had a
25 chance to analyze that.

1 REPRESENTATIVE SCHLEGEL CULVER: All
2 right.

3 Can you provide that information to us
4 as soon as you do do that?

5 SECRETARY MILLER: Absolutely.

6 REPRESENTATIVE SCHLEGEL CULVER: What is
7 the estimated increase in the average cost of childcare
8 for parents who do not receive subsidized services
9 through DHS? Because that is most concerning to me,
10 that they'll be just - because the cost of childcare
11 will have to increase to support the workers, what
12 happens to those people who are not receiving support?
13 Can you explain that to me?

14 SECRETARY MILLER: I think, you know,
15 like any other business -.

16 REPRESENTATIVE SCHLEGEL CULVER: Get a
17 little closer to the mic, please.

18 SECRETARY MILLER: Like any other
19 business who's dealing with a minimum wage increase,
20 that will be a decision made by each facility, what
21 they do. What it ends up increasing costs is something
22 that I think just depends on the facility, the
23 decisions they decide to make and the position they're
24 in. So we don't know exactly what the impacts will be.

25 REPRESENTATIVE SCHLEGEL CULVER:

1 Facilities have told us they will have to increase
2 their rates substantially. And the families that are
3 not receiving any kind of subsidy probably is not
4 making minimum wage, so probably will not get an
5 increase in their salary at all. So in their minds,
6 they're going to be falling behind and probably not
7 being able to support childcare. Our fear is they'll
8 pull them out of childcare, and then we have a whole
9 set of children at home, unsafe, unsupervised, and
10 families that are in fear or not being able to work,
11 and we're not getting them on the rolls.

12 So I guess my next question is do you
13 believe the increase in rates could force some
14 low-income families, especially single parents, out of
15 the workforce because they can't afford the care and
16 into - back into DHS services?

17 SECRETARY MILLER: Well, our subsidized
18 childcare program funds and assists people who make up
19 to 235 percent of the federal poverty level. So for a
20 family of three, that's \$50,000. And they're going to
21 be receiving childcare works. So I think for them this
22 will continue to be a supportive service and will allow
23 them to continue in the workforce, which, as you point
24 out, is really important.

25 REPRESENTATIVE SCHLEGEL CULVER: I am

1 out of time. And the only other question I had was if
2 you expected a large waiting list because parents are
3 now going to be needing services that may not have
4 previously. If you could just send me the answers, I
5 would appreciate that. Thank you for your time. And
6 thank you, Mr. Chairman.

7 CHAIRMAN SAYLOR: Next is Representative
8 Bullock.

9 REPRESENTATIVE BULLOCK: Thank you, Mr.
10 Chairman. And good morning, Secretary.

11 SECRETARY MILLER: Good morning.

12 REPRESENTATIVE BULLOCK: During this
13 three weeks of budget hearings, I've been asking each
14 department about their commitment to using their budget
15 initiatives and requests towards racial equity and
16 justice. You've taken that step already by releasing
17 your report on racial equity. Can you share with me
18 why you decided to do this report at this time and the
19 lessons or the things that were revealed in that report
20 and how you plan to move forward?

21 SECRETARY MILLER: Absolutely. And I
22 really appreciate the question. This is something that
23 is incredibly important to me and the Department.

24 When you look at the impacts of poverty
25 and systemic racism, they've had a huge impact on who

1 we serve. So when you look at who we serve, we serve a
2 disproportionate number of people of color through our
3 agency because of the historical impacts of systemic
4 racism and poverty and the fact that we have a
5 disproportionate number of people of color in poverty.
6 So it's an important issue for us as a department
7 because of who we serve, and we need to make sure we're
8 doing a good job of that. And frankly, you know, three
9 years ago when I joined the Department, and we started
10 looking at our TANF employment and training programs,
11 we realized - and that's a population where, again, we
12 serve a disproportionate number of people of color, we
13 have not historically done a great job of helping
14 people out of poverty. And that's really what we
15 should be focused on. So not only is it an important
16 issue for the people we serve, but also for our staff.

17 I know you always ask about complement,
18 and it's a good question and an important question.
19 And for DHS, 25 percent of our staff are people of
20 color. So we also, from a workforce perspective, need
21 to be really interested in this issue. And after
22 George Floyd's murder, we really started taking a hard
23 look at not just internally, but also externally our
24 programs and services and we did something that I've
25 never done before. I started sitting down with our

1 staff of color and asking them about their experiences.
2 And it was incredibly eye-opening. And what I learned
3 is that, not only do we need to focus on external work
4 and the fact that we serve a disproportionate number of
5 people of color, but because we are part of our society
6 as an agency, we have issues we need to work on.

7 And your question about complement is
8 always a really good one. I think one of the issues we
9 have found is if you look at our complement just
10 generally, 25 percent people of color, we're a diverse
11 agency. The problem is and what staff pointed out to
12 me, and so we found we needed to dig deeper into the
13 data is, as you go up the pay grades, that diversity
14 drops off and we don't have the level of diversity we
15 need at the upper ends of the agency.

16 So looking at that data differently -
17 and frankly, as we've been putting together the racial
18 equity report, we've been looking at internal
19 statistics, our own agency, but also our programs and
20 services and looking at statistics there. And my goal
21 in putting the report out was really to have a baseline
22 of where we stand today in terms of disproportionality
23 and concerns with racial equity.

24 As you can see, if you read the report,
25 we have a lot of issues throughout our entire system.

1 You know, systemic racism plays a huge role in our
2 society, and so it plays a huge role in the work that
3 we do. So now that we've put that data out there, I
4 think what we are doing internally is focusing more on
5 that data. We are an agency that's really driven by
6 data. We have a PeopleStat program where every week we
7 look at data to see how we're doing in our various
8 program areas.

9 Historically, we've not spent a lot of
10 time looking at racial data and ethnicity data to say,
11 okay, we know this is how we're doing globally, but how
12 does that break down? How are we doing if we start
13 looking at different races, different ethnicities? Are
14 we still at the same place and where is there
15 disproportionality and where are there disparities that
16 we need to focus on? So this report has helped us
17 figure out where we need to focus. And now through our
18 PeopleStat meetings, we're spending more time - all the
19 program offices have gone through and looked at
20 disparities, and now we're starting to measure those
21 and follow those and track those. And the hope is then
22 we can see over time are we putting things in place
23 that will help address those disparities.

24 Some of what we've done, for example, in
25 childcare by focusing on base rates, that's - that's

1 intended to address one of the disparities that we see
2 where a lot of the quality initiatives we've had in the
3 past have focused all the investment dollars at star
4 three and four. But we - our children in childcare
5 works are disproportionately served by star one and two
6 facilities. And we serve a disproportionate number of
7 children of color. So that's an issue. We can't just
8 focus on quality and star three and four. We need to
9 focus on star one and two. So over time, hopefully as
10 we're tracking these things, we'll start to see that
11 we're addressing those disparities.

12 REPRESENTATIVE BULLOCK: Thank you very
13 much, Madam Secretary. I commend you on the report.
14 And I agree, we have to strategically look at how we're
15 delivering these services and resources and not use the
16 same historically racist system to do so. Thank you
17 very much.

18 SECRETARY MILLER: Thank you for the
19 question.

20 CHAIRMAN SAYLOR: Our next questioner is
21 Representative Jesse Topper.

22 REPRESENTATIVE TOPPER: Thank you, Mr.
23 Chairman, and good morning to everyone. I'd like to
24 talk about some of the issues surrounding the
25 procurement of the contracts for the Healthy Choices

1 Physical Health Program.

2 It's my understanding that the
3 Commonwealth Court has twice ruled against the
4 Department on obtaining those contracts. And now,
5 since July of 2020, there have also been five more
6 protests probably going before the Court. Can you guys
7 give us an update on where we are in that procurement
8 process?

9 SECRETARY MILLER: Yes. As you
10 indicated, our procurement was the - the results of the
11 procurement were announced in July. I think we've
12 actually had a lot more than five protests. We've had
13 several protests. It's very easy to protest, and
14 there's a lot of money at stake in these contracts, so
15 we do get a lot of protests.

16 Right now we're under a stay, so we
17 can't move forward with the procurement. And that's -
18 that's kind of where we're at.

19 REPRESENTATIVE TOPPER: So has this been
20 a - I mean, has this been since 2015? Because that was
21 when - in that interim the Commonwealth Court had their
22 - both their rulings and now this, so we - we still
23 don't - we still don't have one. So what - are we just
24 extending contracts currently and how much longer can
25 that continue?

1 SECRETARY MILLER: That can continue
2 until we have a new procurement. We've continued to
3 extend the current contracts and hope that we can have
4 a procurement that we can move forward soon.

5 REPRESENTATIVE TOPPER: And what would
6 be the cost do you think that has been associated with
7 these repeated delays?

8 SECRETARY MILLER: You know, with the
9 protests, we certainly have a lot of legal expense. I
10 don't know. I don't have a dollar number for it. We -
11 we have our lawyers, who work on various matters, but
12 they certainly have spent time on addressing all of the
13 protests.

14 REPRESENTATIVE TOPPER: Has it been
15 simply Department lawyers? Have you had to go outside?
16 I mean, for those of us who are not closely associated
17 with the Department, who are looking at it from a
18 budgetary perspective on the outside. I mean, this
19 seems - this seems somewhat unusual.

20 I understand that there - because of the
21 money at stake, that there could be a lot of protests,
22 but the Commonwealth Court has twice found that the
23 Department did not follow procurement procedures. So
24 it leads one to question is this an issue - are the
25 staff receiving proper training in how to go about

1 procuring these contracts or what do you see as the
2 deficiency there?

3 SECRETARY MILLER: I think - you know, I
4 rely on our lawyers to tell us where the deficiencies
5 are.

6 REPRESENTATIVE TOPPER: That's our first
7 mistake probably.

8 SECRETARY MILLER: And our lawyers I
9 think feel good that this procurement will - will go
10 forward. They would probably also ask me to stop
11 talking about the procurement at this point because it
12 is in litigation, and they don't like it when I talk
13 about litigation, but -.

14 REPRESENTATIVE TOPPER: Well, what about
15 - what about previously? What were some of the - what
16 were some of the issues that were found that have been
17 fixed?

18 SECRETARY MILLER: You know what, it's
19 been so long, I would have to go back and talk to some
20 of our team about that.

21 REPRESENTATIVE TOPPER: I think - and I
22 think we should. I think we really need an
23 understanding. I would also like to receive the costs
24 of where we're at because, quite frankly, I don't have
25 any assurance that this won't continue deep into the

1 future. So we need to - we need to figure that out.

2 Why does DHS contract with a limited
3 number of MCOs? Why not set standard rates and
4 contract with any willing MCO that wants to manage
5 care? Can you explain that process a little bit?

6 SECRETARY MILLER: So our Office of
7 Medical Assistance Programs could probably explain a
8 little better, but I think the idea is the fewer the
9 MCOs you have to choose from - excuse me, the less
10 confusion in - in the market. But I would have to rely
11 on our OMAP experts about that.

12 REPRESENTATIVE TOPPER: Understood,
13 although there seems to be a great deal of confusion
14 now. I mean, again, we have - we're in - we're in the
15 fifth year. We still don't have a contract, so I don't
16 know that it's working well. Do you - are you aware if
17 the Governor's requested the Inspector General to take
18 a look at any of the numerous problems with this
19 procurement?

20 SECRETARY MILLER: Not to my knowledge.

21 REPRESENTATIVE TOPPER: Okay.

22 Well, if you could get the information
23 again with - to this committee about what that has cost
24 since 2015. Again, I know it's five years - or it's
25 seven years at this point, but it's still something

1 that is continuing, and I think we need to have a good
2 understanding of what that - what kind of impact that's
3 having, as well as - and I understand that it's
4 currently in litigation, but it would be good to
5 provide assurances to this committee that the problems
6 are being fixed. Obviously, the Commonwealth Court,
7 you know, that ruling was not just in a vacuum. They
8 gave reasons for it, and we should probably know if
9 those reasons have been addressed.

10 Thank you, Mr. Chairman.

11 CHAIRMAN SAYLOR: Our next questioner is
12 Representative Steve Kinsey.

13 REPRESENTATIVE KINSEY: Thank you, Mr.
14 Chairman. And good morning, Madam Secretary, and to
15 your staff as well.

16 Madam Secretary, Governor Wolf has made
17 increasingly - has talked about increasing the minimum
18 wage. I know that we've had conversations in previous
19 years as it related to the impact it has on your
20 Department. But more specifically, I want to talk
21 about the impact that it has on direct support
22 professionals. These are individuals who are
23 considered frontline workers. We recognize that the
24 impact that COVID has had not just on our frontline
25 workers, but also the people to which they provide

1 services and supports to.

2 I want to talk a little bit more about -
3 or maybe have you talk about this budget. This budget
4 actually, as I've reviewed it, does not provide a rate
5 increase for those individuals. But can you talk about
6 maybe how your department is working with the provider
7 agencies to support our frontline workers? And I'm
8 talking specifically about the direct support
9 professionals.

10 SECRETARY MILLER: Sure. And you - you
11 nailed it. These are - these are really some of the
12 heroes of this pandemic. They have continued to put
13 themselves in harm's way essentially to continue to
14 serve the people that - that they are charged with
15 serving.

16 And as you know, our budget does
17 continue to increase. We made collectively a
18 significant investment in DSP wages a few years ago.
19 And because of that, their - their hourly wage, on
20 average, is a little over \$13 an hour. So in terms of
21 the minimum wage impact, they're - they're making
22 currently, on average, more than the minimum wage, if
23 it were to - to go up, as - as the Governor has
24 proposed this year.

25 That's not necessarily true of some of

1 our other workers. And that's how we've been viewing
2 this issue, as more globally. It - DSPs are an
3 important workforce. So are our childcare workers. So
4 are our direct care workers who work in our Office of
5 Long-Term Living Space. All of these workers have been
6 continuing to work through this pandemic, putting
7 themselves in harm's way to serve people. And today
8 childcare workers make I think a little over \$11 an
9 hour. So the minimum wage will actually help them.
10 They're really the only workers - when you look across
11 our offices and our provider networks, they're really
12 the only workers where there's an impact in minimum
13 wage because they don't make that \$12 an hour. So I
14 think from the Governor's perspective, from our
15 perspective, wages is a really important issue across
16 all of our programs, but it's one where we're trying to
17 look at it from a department-wide lens and say how do
18 we bring everybody up to a living wage, because we have
19 40 to 50 percent of childcare workers who rely on our
20 services. That seems just wrong. So we're trying to
21 bring everybody up so that people can, as they're
22 working full time, still put food on the table and make
23 enough that they can feed their families.

24 REPRESENTATIVE KINSEY: Madam Secretary,
25 I appreciate you sharing that.

1 Speaking along the same line, as we talk
2 about direct support professionals, again, with the
3 pandemic we also see that - we also see data that shows
4 that there's - there's always been a high turnover rate
5 for direct support professionals working with
6 individuals who have such a need. During the pandemic,
7 we're seeing that the rate - the turnover rate has
8 increased as well. This can cause some of the provider
9 agencies to incur additional costs over time and such.
10 What is your department doing to work with these
11 provider agencies to provide some type of stability,
12 not only to the workforce but also to those folks who
13 are receiving the services?

14 We know that - many of us know that -
15 and I worked in the field, as you know, and there's a
16 comfortness and familiarity when you have somebody that
17 you know, you trust and so forth on. And again, we're
18 seeing an increase in regards to the staffing turnover.
19 So is there anything that your department can do
20 working with provider agencies to try to help stabilize
21 - and again, I know that we're in tough times, but you
22 know, just looking at ways to support these
23 individuals?

24 SECRETARY MILLER: Yeah. So you know,
25 we certainly recognize the financial stressors on - on

1 these providers and really everybody in all businesses
2 throughout the pandemic. To support the financial
3 stability of the providers so we don't have them
4 closing their doors, together with all of you, because
5 the CARES Act provided funding for a lot of different
6 industries, we were able to distribute \$260 million in
7 CARES Act funds to cover these costs of the pandemic.

8 We also provided retainer payments to
9 community participation support providers for July
10 through September. And currently the Department is
11 paying enhanced rates for the Community Participation
12 Support Services as well as providing funding to offset
13 some of the fixed costs that these providers have
14 incurred during periods of closure.

15 We also have other initiatives, looking
16 at how we can utilize technology, recognizing the
17 impact on these workers so that maybe technology can
18 help us relieve some of their workload and - and
19 address some of the issues with staff turnover, because
20 again, we want these jobs to be jobs people want to do.
21 And if technology can make their lives a little easier,
22 that might help with that as well.

23 REPRESENTATIVE KINSEY: Madam Secretary,
24 again, I want to thank you. My time is up, and I just
25 want to thank you and your staff for the work that

1 you're doing with our most vulnerable population.

2 Thank you very much.

3 Thank you, Mr. Chairman.

4 CHAIRMAN SAYLOR: Our next questioner is
5 Representative Jim Struzzi.

6 REPRESENTATIVE STRUZZI: Thank you, Mr.
7 Chairman, and good morning, Secretary.

8 SECRETARY MILLER: Good morning.

9 REPRESENTATIVE STRUZZI: Appreciate you
10 being here this morning.

11 I want to talk about something that we
12 have talked about in previous budget hearings, and that
13 is the Family First Preventative Services Act. Just
14 for some background, I'm going to - I'm going to read a
15 little description so people who are listening
16 understand what this is. But essentially it was
17 enacted in 2018. It is a Federal Act. And the bill
18 aims to prevent children from entering into foster care
19 by allowing federal reimbursement for mental health
20 services, substance use treatment and in-home parenting
21 skill training. It also seeks to improve the wellbeing
22 of children already in foster care by incentivizing
23 states to reduce placement of children in congregate
24 care.

25 And so, in previous budget hearings we

1 had talked about when Pennsylvania was going to opt in.
2 And I know that in your budget book October 1st is the
3 date that we will be opting into the Family First
4 Preventative Services Act.

5 With that said, though, I would think
6 that that would allow us to have more federal moneys
7 coming into Pennsylvania, yet in your budget book you
8 show a reduction in Title IV-E funds of about \$30
9 million, \$29 million. Can you explain why that is?

10 SECRETARY MILLER: Do you want to take
11 that, Gloria?

12 MS. GILLIGAN: So thank you for the
13 question. With Family First, when it's implemented
14 October 1st, we will have the July to October period
15 where we'll be able to claim those IV-E dollars, and
16 then we'll see a decrease in IV-E dollars beginning
17 October 1 through the end of the federal - or the state
18 fiscal year. So there is a decrease that's planned
19 related to implementation of Family First, but only for
20 three-quarters.

21 REPRESENTATIVE STRUZZI: And then we'll
22 see an increase then in the federal funding coming in.

23 Correct?

24 MS. GILLIGAN: Not after Family First is
25 implemented. I think over a long period of time we

1 might potentially see some benefits, but Family First
2 is a very large piece of legislation. There's multiple
3 provisions. Some are options like the ability to claim
4 prevention IV-E dollars. Some are not options, like
5 the loss of IV-E for congregate care placement. So as
6 our children in congregate care - let's assume that it
7 remains flat, we will lose funding for those IV-E
8 eligible kids who are in those placement settings
9 beginning October 1, who enter that placement setting.
10 So unless there's an automatic shift and nobody goes
11 into congregate care, and everybody who's in congregate
12 care finds a foster family home, there's absolutely
13 going to be a loss of IV-E dollars initially. And then
14 hopefully over time we'll see an increase of IV-E
15 related to prevention dollars, but it will not be a
16 one-for-one.

17 REPRESENTATIVE STRUZZI: \$40 is what?

18 MS. GILLIGAN: It's a federal funding
19 stream.

20 REPRESENTATIVE STRUZZI: \$40?

21 MS. GILLIGAN: Title IV-E, yep.

22 REPRESENTATIVE STRUZZI: Oh, okay.

23 I thought you were saying \$40.

24 MS. GILLIGAN: Yeah, sorry, the mask.

25 REPRESENTATIVE STRUZZI: The mask, I

1 guess. I'm sorry.

2 Okay. Okay. I appreciate that then.

3 Madam Secretary, in a budget memo
4 January 26th to the Budget Secretary you said that
5 there would be significant costs associated with the
6 implementation of evidence-based practices which may
7 not be offset with additional federal funds during the
8 first two to three years. Can you - can you explain
9 what that is?

10 MS. GILLIGAN: So again, this - the
11 prevention provision in Family First gives the option.
12 So that's the advantage that Pennsylvania gets and one
13 that we are planning to implement October 1st. So all
14 evidence-based prevention services that exist in
15 Pennsylvania will not be eligible for Title IV-E
16 funding. It's those three categories that you named
17 earlier, so the in-home parenting, the substance use
18 and the mental health treatment services when provided
19 by a clinician. So you have sort of these three narrow
20 populations of services, and they have to show a
21 positive impact to child welfare.

22 They also have to be listed and rated on
23 a federal clearinghouse, which doesn't align
24 necessarily with other evidence-based clearinghouses
25 that exist already. So that federal clearinghouse, the

1 IV-E prevention services clearinghouse, the number of
2 programs on it, it's continually growing. And until we
3 see a lot of Pennsylvania programs added to that
4 clearinghouse, I don't think we'll see a huge financial
5 benefit.

6 We have to implement a five-year
7 prevention plan, which is the way that we opt into the
8 prevention provision. And the more programs we add to
9 our plan that exist on the clearinghouse, again, the
10 greater the claim eventually will be.

11 REPRESENTATIVE STRUZZI: Are we going to
12 make the October 1st deadline? Because it seems like,
13 you know, even - even - I represent Indiana County, and
14 I don't think they're ready. Couldn't we have been
15 better prepared? What are you doing to help the
16 counties? And you know, if we're standing to lose
17 federal money, I think, you know, we need to act now to
18 make sure that we're in position to benefit from the
19 increase or the opportunity for an increase. And so,
20 explain to me, you know, are we going to make the
21 deadline, first of all, and what we're doing to make
22 sure that we do at the county level.

23 SECRETARY MILLER: Sure. And Gloria,
24 you could probably talk to this better. I'm happy to,
25 but if you'd like to -.

1 MS. GILLIGAN: Sure. I think there has
2 been a lot of work related to implementing Family
3 First. So like you said it passed February of 2018.
4 And right away we convened - the Office of Children,
5 Youth and Families within the Department convened some
6 workgroups. And they had some existing forums that
7 they were able to utilize to pull together stakeholders
8 in their counties to talk about implementation and
9 develop their strategies. Essentially, what's the plan
10 to get to a successful implementation. So there are a
11 lot of moving pieces, as you can imagine, because
12 you're making infrastructure changes. So you're
13 changing the systems, the way that you capture and
14 report data so we can make the claim to the Federal
15 Government. You're changing casework practice in some
16 cases because we're literally putting sort of teeth
17 behind an existing prevention program in Pennsylvania.
18 But you have to do it in a certain way so you can claim
19 the federal dollars.

20 So there's been a lot of work as it
21 relates to the system changes, working with counties to
22 implement the practice changes. I think there were
23 convenings that were held December of 2019. I'm almost
24 positive that's the date that we pulled folks together
25 to really talk about, at a community perspective, what

1 changes do you have to make, because there's a lot of -
2 it's not just one system that will lead this. It's not
3 child welfare that will lead. It is a community
4 approach, a prevention approach, to keeping children
5 safely at home whenever possible.

6 REPRESENTATIVE STRUZZI: Which is -
7 which is very important.

8 I'm out of time. Can I just get a yes
9 or no answer, will we make the October 1st deadline?

10 MS. GILLIGAN: Yes.

11 REPRESENTATIVE STRUZZI: Okay. Thank
12 you.

13 CHAIRMAN SAYLOR: Next is Representative
14 Fiedler.

15 REPRESENTATIVE FIEDLER: Thank you, Mr.
16 Chair. Thank you for joining us today.

17 I want to talk a little bit about senior
18 citizens in Pennsylvania. Our state had the third
19 highest COVID-19 nursing home death rate in the
20 country, according to AARP data from mid-February, with
21 more than 11,000 nursing home residents having died
22 during COVID-19.

23 I've heard from many advocates and
24 family members of people who are in these locations who
25 have asked questions about fraud, abuse, neglect,

1 regulation. And I remember really clear, as I'm sure
2 many of my colleagues do, in the beginning of this
3 pandemic fielding calls to my office, to my cell phone,
4 which I was glad to take, but from people whose loved
5 ones were in these nursing homes who were not getting
6 answers from the operators of the facilities, concerns
7 about staff shortages, PPE, who's being transferred to
8 which room. It was awful. It was really awful for
9 these families. And unfortunately, a lot of the people
10 I heard from, a number of their family members did not
11 survive.

12 I think that the lack of answers and
13 information that a lot of these families did not
14 receive from operators across the state is one piece of
15 it when it comes to communication, about expectations
16 and where to get answers, but I do also want to ask
17 about the staffing piece of it, because I know that's
18 something that the administration and the Department is
19 working on.

20 Does DHS have a plan to address these
21 issues specifically related to the health and welfare
22 of our elders in nursing homes so that they can age
23 safely and with dignity and their families have that
24 confidence? And then very specifically, does DHS have
25 a plan to increase staffing to ensure that all

1 facilities offer at least 4.1 hours of nursing care per
2 resident per day?

3 SECRETARY MILLER: Representative, I
4 think that's probably a better question for Department
5 of Health, since the Department of Health oversees
6 nursing homes. I know they've had some regulations to
7 - to do at least somewhat what you're talking about,
8 but I'm not in the middle of those conversations since
9 we don't regulate nursing homes.

10 REPRESENTATIVE FIEDLER: And can you
11 talk about - this is a good point. I appreciate that.
12 I did want to ask a related question, but I'll change a
13 little bit and just ask about a program that I knew -
14 do know that you had direct involvement on, which was
15 general assistance. Obviously, the loss of that
16 program was talked about and debated and very traumatic
17 for a lot of families and advocates. The program
18 offered about \$200 a month for thousands of
19 Pennsylvanians so that they could, for example, pay to
20 rent a room in a friend's house or buy a bus ticket to
21 escape an abusive situation.

22 Could you talk about the impact that the
23 loss of the general assistance program has had on
24 Pennsylvania and whether you think the existing funding
25 streams and programs have been able to absorb that

1 need?

2 SECRETARY MILLER: So with the loss of
3 general assistance - what we did from DHS's perspective
4 is worked very closely with our stakeholder network,
5 with United Way and with 211 to make sure that everyone
6 was getting messages out to the people that they serve
7 that 211 is an option that can help connect to other
8 resources. So we were trying to do everything we could
9 to really bridge any gaps that might exist because, you
10 know, working with people in poverty and making sure
11 that everyone has what they need to live a healthy and
12 productive life is something that we're very passionate
13 about. So we have got a lot of very passionate
14 stakeholders we work very closely with when issues like
15 this happen to make sure that people don't fall through
16 the cracks.

17 REPRESENTATIVE FIEDLER: So do you feel
18 - thank you for that. You feel like the current
19 structure in place, the different programs, housing or
20 food-related programs have been able to absorb the
21 great need that existed previously? Do you feel like
22 there's additional funding or programs that are
23 necessary to meet that need?

24 SECRETARY MILLER: It's hard to know
25 exactly what the impact has been. I can tell you with

1 our TANF program, for example, because TANF, of course,
2 also serves very low-income people, the population in
3 TANF has continued to decline. So even in the middle
4 of the pandemic, when I would have thought that
5 population might have increased, we've still continued
6 to see a decrease. So I don't know if - if we're not
7 meeting need, if people just aren't aware of our
8 programs, but we've been out there for the last year
9 trying to make sure, especially in the middle of the
10 pandemic, that people know we are a resource and have
11 been trying to make sure that we get the word out,
12 parti - SNAP is another good example. We haven't seen
13 a huge increase in our SNAP population either. We've
14 seen about - a little less than five-percent increase
15 since February. So we're not seeing a lot of people
16 flocking to the agency for supports. And I think one
17 of the reasons is because of the strong unemployment
18 compensation support that's been available for people,
19 that because that's been there, they haven't had to
20 rely on our agency. But we haven't seen an increase in
21 need in a lot of our programs.

22 REPRESENTATIVE FIEDLER: That's
23 interesting and an interesting observation about
24 unemployment. Obviously, this - there was a period
25 that existed before this more robust UC period when we

1 would have expected it to go up. Thank you.

2 CHAIRMAN SAYLOR: Our next questioner is
3 Representative Jonathan Fritz.

4 REPRESENTATIVE FRITZ: Thank you, Mr.
5 Chairman. And good morning, Secretary Miller. Pleased
6 to see you. Thank you for joining.

7 Madam Secretary, I'd like to take a
8 couple minutes in order to discuss the Pennsylvania
9 Rural Health Model. Now, I recognize this question may
10 be more of a Health Department categorical, but given
11 the fact that there's leadership turnover there and the
12 fact that you sat on the Board, I - I felt inclined to
13 engage you on the matter.

14 And for our constituents at home I'll
15 mention that the Rural Health Funding Model is a method
16 where hospitals receive set amounts of funding instead
17 of the fee for service payment mechanism. And the aim
18 - the aim is consistent in stabilized funding.

19 Now, Madam Secretary, before I roll out
20 some questions, please allow me to mention that the PA
21 Rural Health Model is good government. These hearings
22 and so much of a legislator's time is spent
23 scrutinizing and criticizing. And frankly, that's
24 mostly warranted. But every once in a while we see a
25 clear example of government done right. Now, this

1 program - this program provides assurance to my rural
2 hospitals, healthcare that is so critical to the
3 quality of life for my constituents. So with a tone of
4 appreciation, I'm interested in knowing how this
5 program is faring. And along those lines, I see that
6 more hospitals are coming online to this revenue
7 method. Kindly speak to that.

8 SECRETARY MILLER: Dr. Jacobs has
9 actually been sitting on the board in my stead, so I'll
10 let him take this question.

11 REPRESENTATIVE FRITZ: That will be
12 fine.

13 DR. JACOBS: Yeah, thank you for the
14 kind words about the PA Rural Health Model. We think
15 it's a good model as well.

16 Early - this is just early data, but it
17 does seem to be stabilizing, some of the funding for
18 these hospitals and maintaining access to these
19 critical rural hospitals. And early data - again,
20 early, not finalized or completely checked-through
21 statistics and everything, but it looks like a lot of
22 the quality measures are also improving as well. So we
23 - the Department of Health, though, is Chair of that
24 board, so they'd probably have a better idea as to some
25 of these questions as well.

1 REPRESENTATIVE FRITZ: Have you been
2 privy to feedback from the insurers? How do they feel
3 about this revised or different payment model?

4 DR. JACOBS: So I guess I can answer
5 that from the MCO perspective, because our department
6 oversees the Medicaid managed care organizations. And
7 we've been talking to them about the benefit of this
8 model overall. And actually, this year, in our MCO
9 agreements, we put in a stipulation that the Medicaid
10 MCOs have to join the model, whatever hospital decides
11 to join the PA Rural Health Model.

12 REPRESENTATIVE FRITZ: Okay. Okay.

13 And I'll just mention that this pandemic
14 has been especially a hard time for hospitals. So
15 having this stable, consistent inflow of revenue has
16 been especially - especially beneficial. Can you
17 kindly speak to the disparity in hospitals, those that
18 maintain the fee for service type revenue versus those
19 that have this type of rural health model funding
20 revenue?

21 DR. JACOBS: It does look like the
22 hospitals in the PA Rural Health Model have more cash
23 on hand, stabilizing their funding, as you say, but
24 that's all the data because it's all preliminary and
25 there's only a couple years that we have to go off of

1 so far. But it does look like there is some benefit,
2 as you - as you pointed out, to that model.

3 REPRESENTATIVE FRITZ: So you mentioned
4 this is a new program and, obviously, it's working
5 well. Do you envision a growth of this program, and
6 how do you envision it evolving? That will be my last
7 question.

8 DR. JACOBS: Yeah. And the - the Rural
9 Health Redesign Center Authority, which is overseeing
10 that in conjunction, of course, with Department of
11 Health, meaning the board, they are bringing on new
12 hospitals every single year in all those rural
13 counties. And it's a model that we are looking at in
14 the Department of Human Services as a potential model
15 that we can think about in other areas as well. So
16 we're talking internally about how such a successful
17 model, we can expand it.

18 REPRESENTATIVE FRITZ: Okay.

19 Well, thank you. Thank you for an
20 example of success in government. And thank you for
21 being here today.

22 SECRETARY MILLER: Thank you.

23 REPRESENTATIVE FRITZ: Mr. Chairman,
24 thank you.

25 CHAIRMAN SAYLOR: Next is Representative

1 Kinkead.

2 REPRESENTATIVE KINKEAD: Thank you, Mr.
3 Chairman. Thank you, Madam Secretary, for being here.
4 I have a number of questions, so I'll try to be
5 efficient.

6 First, I want to address employment for
7 individuals with intellectual and developmental
8 disabilities. Obviously, you know, the pandemic has
9 resulted in loss of jobs sort of across the board, but
10 in particular, for people with disabilities, who were
11 dramatically underemployed before the pandemic. And as
12 we all know, stability for individuals with
13 disabilities is really critical. So I'm wondering if
14 you can talk about the importance of employment for
15 this population as well as what your department is
16 doing to increase employment opportunities now and sort
17 of after the pandemic.

18 SECRETARY MILLER: This has been - I
19 appreciate the question. And it's too bad that Deputy
20 Secretary Kristin Ahrens isn't here because this is
21 something that she's also very passionate about.

22 I think if you look across our entire
23 department you'll see that employment and focusing on
24 employment for the people we serve has been a huge
25 priority, certainly since I've been at the Department,

1 I think even before that, whether it's people on
2 Medicaid, people receiving services for ID or autism,
3 people who are served through TANF. This really has
4 been a focus. And I think the data - and I'm trying to
5 remember the most current data we've seen on this in
6 terms of the impact of the pandemic, but obviously the
7 impact of the pandemic has had a huge impact just on
8 everyone across the board.

9 I can tell you, though, and the
10 statistics are not right off the top of my head, but
11 before the pandemic we were seeing over the last few
12 years a really significant increase in the number of
13 people who had competitive integrated employment. So
14 that's really been our focus, is how do we make sure
15 that we provide opportunities for people to have
16 competitive integrated employment.

17 So again, I don't know the latest data.
18 We could certainly get that for you in terms of how the
19 pandemic - excuse me, how the pandemic has impacted,
20 but it remains a focus for us to do everything we can
21 to provide opportunities. We've got Employment First
22 out there, which is also trying to move in this
23 direction. We have several agencies working together
24 on this. So it has been a priority.

25 REPRESENTATIVE KINKEAD: Thank you.

1 So I was unable to attend yesterday's
2 informational meeting around the county mental health
3 and intellectual disabilities because I was at budget
4 hearings and - but I did - you know, I think one of the
5 things that stood out in sort of reviewing the
6 testimony is that we have grossly underfunded our
7 county mental health services for far too long. We
8 went from holding funding steady to cutting funding in
9 the 2012/2013 budget by ten percent. And we've seen no
10 meaningful increase since then.

11 You know, right now there's a policy
12 hearing happening to talk about mental health in our
13 high schools, especially around the pandemic. We've
14 seen an uptick in suicides and other mental health
15 crises around the pandemic. People are not supported.
16 They're very isolated. And I was wondering if you
17 could speak to the funding for the county mental health
18 system both with respect to the base program as well as
19 crisis services.

20 SECRETARY MILLER: So clearly during the
21 pandemic as well, I mean, this has been something that
22 we've been really focused on because we know - to your
23 point, we know people are home, as a lot of us have
24 been, and it is very isolating. We haven't been able
25 to see loved ones. We haven't been able to travel. So

1 we are expecting to see an increase in need in this
2 area.

3 I think one of the challenges that we're
4 - that we have is that, you know we do have a
5 county-based system, so each county gathers data a
6 little bit differently. And so one of the things I
7 think we need to be able to do, particularly if we're
8 going to come in and ask for funding, is be able to
9 show data about what we need, what the needs are, what
10 - what the money would go for. And I think the
11 difficulty is we haven't been able to do that very
12 effectively because there's also a lag - if you look at
13 our claims data, the lag is about six to nine months.
14 So we're still back in the - mid last year really in
15 terms of what we're seeing. So we don't have the good
16 data we need.

17 We've been trying to work closer with
18 the counties to help us put together sort of the
19 picture and figure out how to use data. I think some
20 of what we've heard from counties - because I know when
21 we ask for data, it can feel very burdensome because
22 counties are struggling. And I think in some cases
23 counties have made decisions that I certainly
24 appreciate to put any additional funding they have
25 toward serving people as opposed to data and systems

1 and things like that, that would actually help us in
2 terms of being able to then make the case.

3 So we're - we're really focusing on
4 this, especially now as we think about the impacts of
5 the pandemic. And I have a feeling that the mental
6 health impacts of this pandemic are going to last a lot
7 longer than the public health emergency. So working
8 with the counties, I hope we can tell the story of - of
9 what the need is, because I think this need is growing.

10 I will also say, since you're asking
11 about kind of an increase in funding, you know, we have
12 a budget now that is growing and is underfunded. And
13 so, I think - especially as I think about the impact of
14 the pandemic, there are a lot of places where having a
15 conversation about investing in systems so that we have
16 systems on the other side of the pandemic, would make a
17 lot of sense. It's just really challenging to do that
18 when we're, you know, \$300 million underfunded. That
19 makes those conversations just a little bit more
20 difficult.

21 REPRESENTATIVE KINKEAD: Thank you.
22 Thank you, Mr. Chairman.

23 CHAIRMAN SAYLOR: Next questioner is
24 Representative Lee James.

25 REPRESENTATIVE JAMES: Thank you, Mr.

1 Chairman. Good morning, Madam Secretary, Deputy
2 Secretaries. I would like to deal with the subject of
3 early intervention, please. For those who are
4 unfamiliar with the service, it provides support
5 services for developmental disabilities for little guys
6 from birth to age three.

7 The proposed budget includes an increase
8 or a request for an increase of \$11 million. And I did
9 a little research on that. That appears to be roughly
10 a ten-percent request. And the dollars will go to,
11 quote, increase in the maintenance and coordination of
12 services, unquote. So I looked - like I said, I did a
13 little bit of research on that. I looked and it
14 appears that you're in a downward trend. It's a modest
15 one, but we went from just over - well, let's do it
16 this way. You spent about \$9 million less last year
17 over the year before. And the number of users also
18 dropped by it looks like about 12,000 people, little
19 guys.

20 So the question then becomes - well,
21 maybe first, could you explain what actually is
22 maintenance and coordination? What does that mean?

23 MS. GILLIGAN: Is that a budget term?
24 My understanding is it's an expected increase in the
25 number of children we're going to serve. I don't know

1 if you have a - that's something I think we'll have to
2 follow up just to talk to the specific people who work
3 with this program. I apologize.

4 REPRESENTATIVE JAMES: Wait. You don't
5 know the definition of maintenance and coordination?

6 MS. GILLIGAN: So in the Blue Book,
7 which you're referring to, each analyst who works with
8 that program uses terminology familiar to them. And I
9 apologize that I just don't want to make assumptions
10 about what it means without talking to them.

11 REPRESENTATIVE JAMES: All right.

12 Let's come at this from a different
13 angle. If it appears - and by the way, the number of
14 expected users was flat lined. So there's no
15 anticipated increase in the budgets, the Governor's
16 budget. If there are not going to be or there's not
17 expected to be additional users of the service,
18 whatever that service is, why would you need to ask for
19 an additional ten percent to go in that direction?

20 SECRETARY MILLER: My understanding is
21 we have seen a reduction in the levels of use of early
22 intervention during the pandemic, but that in the
23 future we are expecting to see not only a return to
24 prior service levels, but also anticipated increased
25 service levels through the remainder of the fiscal

1 year.

2 REPRESENTATIVE JAMES: Okay.

3 Are the costs then for maintenance going
4 up simply because of inflation, which doesn't actually
5 appear to be a problem in the overall economy? Is that
6 your -?

7 SECRETARY MILLER: My understanding is
8 that the costs are going up because we expect to serve
9 more people.

10 REPRESENTATIVE JAMES: Okay.

11 I don't think I want to go there
12 anymore, but I do have one other question which relates
13 directly back to Venango County, my place of residence.
14 As you know, we've had a number of rather contentious
15 discussions and debates on the future of Polk State
16 Hospital and White Haven State Hospital. I wonder if
17 you can bring me up to speed on what's happening there,
18 please?

19 SECRETARY MILLER: Sure. So we are
20 continuing with the - the closures of those two
21 facilities, although, admittedly, the pandemic has -
22 has resulted in a slowing of those activities.

23 Initially we had set out to have a
24 three-year timeline for closures. So we were going to
25 complete them probably August of 2022. I don't know

1 that we're going to meet that timeline. And frankly,
2 as we said from the beginning, that was just kind of an
3 estimated timeline. We are not looking to meet that
4 timeline. We're looking to do this process in a way
5 that works for every single individual who's served in
6 those facilities. So we have been working with
7 provider groups. But again, during the pandemic, that
8 has really slowed. So there's less of those activities
9 happening right now. But we have seen - and I was just
10 looking at my notes here. We have seen at this point
11 three people from Polk State Center that have moved
12 into the community. One person from Polk and one
13 person from White Haven are slated to move in the next
14 90 days. And there are five more people from Polk who
15 have selected providers or providers have expressed
16 interest in supporting them.

17 So that's kind of where we are now.
18 Things are just slower because we've - as you know,
19 this pandemic has had a huge impact on our congregate
20 care facilities, and our state centers are - are not
21 immune from that. So we're trying to be very careful
22 and the safety and health of those residents are our
23 top priority.

24 REPRESENTATIVE JAMES: One more question
25 while the Chairman's not looking at the red light.

1 Yesterday - don't get up. Yesterday we heard from
2 Labor & Industry. Don't know if you tuned in, but it
3 appears that the pathway for the residents of Polk and
4 White Haven was out the door and into group homes.
5 Yesterday, L&I said the pathway for the folks in the
6 group homes is back to, I guess, family. Do you know
7 anything about that? Do you -?

8 SECRETARY MILLER: I don't know. Sorry.

9 REPRESENTATIVE JAMES: Okay.

10 This is - I still maintain this is the
11 wrong move.

12 Thank you, Mr. Chairman. I appreciate
13 the extra time.

14 CHAIRMAN SAYLOR: With that, we'll
15 recognize Representative Cephas.

16 REPRESENTATIVE CEPHAS: Thank you,
17 Chairman. And good morning, Secretary.

18 So I have two questions this morning.
19 First, in reference to the recent report produced by
20 DOH regarding pregnancy-associated deaths, as I'm sure
21 that you know, it's related to our maternal mortality
22 rates. And between 2013 and 2018 we've seen a 21.4
23 percent increase in deaths. And in 2018, close to
24 between 30 to 40 percent of those deaths were due to
25 accidental poisoning, which includes drug overdoses.

1 Given your role, as it relates to the
2 issue of maternal mortality, I just want - want to see
3 if you can talk through what - what your thoughts are
4 and what your department is doing to help reverse those
5 trends. That's number one. But in addition to that,
6 how is evidence-based home visiting playing a role to
7 help address that, too? And I'll just say with looking
8 that the recommendation for that line item is flat
9 funded, given COVID-19 and all the added pressures to
10 families during this time, why did the Department go in
11 that direction if we are working to reverse those
12 trends?

13 SECRETARY MILLER: Sure. So let me take
14 your second question first about evidence-based home
15 visiting. As - as you may know, I am a big fan of
16 evidence-based home visiting. I have used an
17 evidence-based home visitor in my family. And I am a
18 big believer, especially as someone who I think has
19 zero maternal instincts, even to this day, with a
20 five-year-old almost, I'm a big believer that
21 absolutely every family could benefit from a home
22 visitor.

23 For those of us who really don't know
24 what we're doing, it's just helpful to have somebody
25 who can tell you your child is on track, they're doing

1 the things that they should be doing at their ages, and
2 to just answer questions, because these little people
3 come with lots and lots of issues that you have to work
4 through. So a big believer in evidence-based home
5 visiting.

6 In the past, the Governor has had
7 initiatives related to expanding evidence-based home
8 visiting. The challenge with those initiatives is a
9 couple-fold. So first, the capacity in evidence-based
10 home visiting programs is limited. Today we serve less
11 than 15,000 families. We barely scratch the surface in
12 terms of the need. And secondly, those investments
13 require state dollars. I think everybody in this room
14 probably knows we don't have a lot of extra state
15 dollars just hanging around. So those are difficult
16 investments to make, but we believe in expanding home
17 visiting services. So we've been working through our
18 Medicaid Managed Care Program to expand access to home
19 visiting services through that program because we will
20 be able to reach so many more families through that
21 avenue.

22 So that's what I'm really excited about,
23 is making sure that every new mom has access to those
24 services. And the thing that I think I also realize is
25 every mom has different needs. I'm not sure every mom

1 need an evidence-based home visiting program versus
2 some kind of evidence-informed home visiting program.
3 So I'm in favor of more home visitors into families so
4 that they can support them, help connect them to
5 resources, address questions and all those things, but
6 I'm just concerned we haven't been able to really even
7 scratch the surface in terms of the need. So I'm
8 hopeful that Medicaid will be a way to do that.

9 And on the maternal mortality question,
10 if Dr. Jacobs wants to answer this. I know we talked
11 about this last year. This is actually something
12 that's very much on the forefront of our minds,
13 especially as we think about racial equity and just the
14 disparities between black moms and white moms as it
15 relates to maternal mortality. So I'll let Dr. Jacobs
16 touch on a little bit more of our activities there.

17 DR. JACOBS: Absolutely. Thanks,
18 Secretary.

19 So in maternal mortality, there's a
20 three-to-one racial gap between black women and white
21 women and who dies in the perinatal or postpartum
22 period. And you mentioned in particular accidental
23 overdose deaths is one of the main contributing causes.
24 So we've been working with the Department of Health,
25 the Pennsylvania Perinatal Quality Collaborative. And

1 we're actually, this year, introducing a new maternity
2 care bundle payment. It's a new way of paying for
3 maternity care, that instead of, as we described
4 earlier, like a fee for service model, it pays in one
5 bundle payment and emphasizes value. And so, as part
6 of that, we're looking at certain quality measures,
7 physical health, behavioral health, social determinants
8 of health, but also health equity. And one of those
9 quality measures is specifically looking at initiation
10 and engagement of treatment for alcohol and other drug
11 abuse and dependence treatment, which is - exactly as
12 you mentioned, one of the main contributors to
13 perinatal and postpartum mortality. So we hope that by
14 implementing this program we'll improve the quality of
15 care delivered and reduce maternal mortality and also
16 reduce this racial equity gap that we have.

17 REPRESENTATIVE CEPHAS: Fantastic.

18 So my second question is related to Real
19 Alternatives. Since 1997, Real Alternatives has been
20 the sole administrator of the Alternatives to Abortion
21 Program, in part, due to the restrictions on providers
22 and the Fiscal Code language that limits who qualifies
23 for the contract.

24 In recent history we've learned through
25 an audit produced by the Auditor General that some

1 state funds were used for legal fees to fight
2 right-to-know requests, a bloated advertising budget,
3 exuberant salaries for executives and other promotion
4 opportunities in other states.

5 So my question is we have numerous
6 family planning organizations that provide
7 evidence-based counseling in our Commonwealth
8 currently. How, as we look forward - as we look to
9 re-procuring these dollars in the future, how will we
10 engage other Title X recipients who have a proven track
11 record in this space?

12 SECRETARY MILLER: So I think you're
13 correct that the language in the Fiscal Code provides
14 detailed requirements associated with who is able to
15 provide these services.

16 Additionally, Act 66 of 2006 requires
17 that there be a separation in the service provision for
18 certain family planning services. With this in mind,
19 Title X recipients would not be able to administer
20 these services.

21 We do, however, hear your concerns and
22 continue to monitor all DHS contracts and grants to
23 ensure appropriate service provision and compliance
24 with state and federal requirements.

25 REPRESENTATIVE CEPHAS: I appreciate

1 that response. And again, as you've stated throughout
2 your testimony, resources are tight these days and more
3 than likely will be tight moving forward for some time.
4 And it's just critical when we have contracts like this
5 that are worth up to about \$30 million, that we're
6 using every single dollar to support families during
7 this difficult time.

8 So again, as we look to future
9 procurement opportunities with Real Alternatives it's
10 going to be critical that we examine what other options
11 we have across the Commonwealth of Pennsylvania.

12 Thank you, Chairman.

13 CHAIRMAN SAYLOR: Next is Representative
14 Rosemary Brown.

15 REPRESENTATIVE BROWN: Thank you, Mr.
16 Chairman. Good morning, Madam Secretary. Thank you
17 all for personally being here today.

18 I'm going to go into your agency,
19 Department of Human Services, is requesting \$941
20 million in state supplementals for the past year, the
21 '20/'21 budget. And just for the sake of people
22 watching, supplemental funding is additional dollars
23 that are needed to be paid in this year's budget
24 because the Department has overspent on the dollars
25 they were given in last year's budget. So that's what

1 we refer to as supplementals. Again, DHS is requesting
2 \$941 million in overspending supplements.

3 Obviously, DHS is a huge agency. Since
4 becoming a legislator, I have been amazed by the scope
5 of DHS and how huge it is. And it's really about 40
6 percent of our state budget. And it's extremely
7 important for us as legislators to know the details and
8 to know how this money is being spent. I mean, we have
9 a - we have a right to know and we have an obligation
10 to know, and we have to give this information to our
11 taxpayers.

12 I don't really, frankly, feel that all
13 the details are always there for me, as a legislator,
14 and I think we need to get much better with that. But
15 I actually worked on language for the supplementals,
16 including - in the Administrative Code basically
17 there's a report that has to be given to the Minority
18 and the Majority Chairman - or Chairperson of the
19 Appropriations Committee and it says the amount,
20 obviously, and - and what it's for.

21 Is - first of all, are those - I have a
22 sheet that has the supplementals, that has the dollar
23 amount, and obviously, it's there, the number, but do
24 we have any other details of the why or what we're
25 going to do to try to avoid this in the future? I

1 mean, that's what we need. We need to know how are we
2 going to stop this from occurring and control our
3 budgets in the future.

4 SECRETARY MILLER: I'm so glad you asked
5 this question, Representative, because I think it's a
6 really good question. And I've heard a lot of concern
7 about how much our budget is growing, and I've heard
8 terms like overspending or even mismanagement. And I
9 think, if we're - if we're going to tackle this issue,
10 we really have to be honest about what's happening.
11 And DHS has been historically underfunded for - for
12 many, many years. And we have had to do things like
13 reduce cycle rolls and all kinds of, you know, one-time
14 savings to try to live within our means because when
15 budgets are signed, we do everything we can to try to
16 live within those means. But it's important to
17 understand the agency and who we are and the services
18 we provide.

19 We are, for the most part, an
20 entitlement agency, which means if people are eligible
21 for our services, then we have to provide those
22 services. And I think all of us in this room want to
23 make sure, for example, that we are there for our
24 parents and grandparents when they need our services.

25 I put in our written testimony a chart

1 that I think does a very nice job of explaining why we
2 continue to see growth in our budget. So the number of
3 people who are working age in Pennsylvania, between 20
4 and 64, that number of people - so the tax base, the
5 people paying taxes, that number of people between 2015
6 and 2025 is going down. But the number of people who
7 need our services, our parents and our grandparents,
8 those numbers are going up significantly. The number
9 of 75 to 84-year-olds is going up by almost 40 percent
10 in that timeframe. Sixty-five (65) to 74, going up
11 almost 33 percent. So - and people over 85, 9.5
12 percent. So the number of people eligible for these
13 services continues to grow. That is going to create a
14 challenge because we are obligated to then serve our
15 parents and grandparents when they need those services.

16 The other thing I think important to
17 point out around our supplemental is, now that we're in
18 a pandemic, we're getting additional FMAP. And that is
19 significant. It's to the tune of \$2 billion a fiscal
20 year. But in order to get that, we can't take people
21 off of the Medicaid rolls. So part of what you're
22 seeing in this 941 is that we have at least 257,000
23 people that we have on our Medicaid rolls today that we
24 have to keep on our Medicaid rolls who would otherwise
25 come off in a typical year.

1 REPRESENTATIVE BROWN: And that - and
2 that concerns me. I mean, I think that - that - and I
3 understand that, and I thank you for those details. I
4 mean, obviously, with the federal matching funds to
5 offset some of our state funds, as you're saying, for
6 the '21/'22 budget, there's a budget increase of \$1.5
7 billion. I mean, this is almost ten percent more than
8 what was, you know, asked for prior. But that comment
9 concerns me that we almost want to keep people on the
10 rolls.

11 I really think that - you know, I think
12 we're going to have some follow-up questions. And with
13 all due respect, you know, the goal is to help people
14 and to help people move forward. And I'd like to know
15 some information more on exactly each of these programs
16 and everything that we have and the return on
17 investment to the taxpayer. And this goes into all our
18 other hearings, Mr. Chairman, and I know my time is up,
19 on job creation, on everything else that's important
20 for our state, but - but to make a comment, to say we
21 want to keep people on the rolls so we can get federal
22 money, that's not my - that's not my job.

23 SECRETARY MILLER: Just to be clear, to
24 get \$2 billion of additional FMAP, we can't let those
25 people off of our rolls. I just want to be clear.

1 It's not our decision to keep them on, -

2 REPRESENTATIVE BROWN: Right.

3 SECRETARY MILLER: - but the \$2 billion
4 far outweighs the cost to the state.

5 REPRESENTATIVE BROWN: Thank you, Mr.
6 Chairman. I just - just the mentality behind keeping
7 people on tax rolls versus having them move forward is
8 not a mentality that I'd like to follow.

9 SECRETARY MILLER: It was a Trump -

10 REPRESENTATIVE BROWN: Thank you, Mr.
11 Chairman.

12 SECRETARY MILLER: - Administration
13 policy.

14 CHAIRMAN SAYLOR: With that, we'll move
15 to our next questioner, which is Representative Peter
16 Schweyer.

17 REPRESENTATIVE SCHWEYER: Thank you, Mr.
18 Chairman. And good morning, everyone. Thank you for
19 joining us today.

20 Changing subjects a little bit and going
21 to the issue of early childcare and early childcare
22 education, a couple things. We all know that our - our
23 childcare services are - we just don't have the
24 enrollment that we had pre-pandemic. Completely
25 understandable as to why. Parents aren't working.

1 Parent are less than comfortable having their - yeah,
2 we need to keep the doors open on these childcare
3 centers. We know that as people get vaccinated, as the
4 pandemic eventually subsides, God willing, that we need
5 these centers to be open, ready to go to start
6 receiving kids. And it's not going to happen all at
7 once. There's going to be dribs and drabs of new
8 students coming in. We need to be able to keep them
9 economically viable.

10 I know historically what we've done is
11 funded these childcare centers on a per-pupil basis. I
12 don't know that that's going to continue working
13 anymore. So can you talk a little bit about what the
14 Department's plans are to help keep the really high end
15 early childhood education centers open in the midst of
16 this pandemic and hopefully on the tail end of the
17 pandemic?

18 SECRETARY MILLER: Yeah. This has been,
19 obviously, a challenge for all of our providers, but
20 certainly for our childcare providers.

21 The one interesting thing I would note,
22 and I think it just speaks to, you know, your point,
23 which is that the issues facing this industry didn't
24 just happen last year. So last year we saw - I can't
25 remember the exact number, but the number - the net

1 number of closures we saw last year wasn't out of line
2 with what we've seen previously. In fact, it was
3 pretty much identical to what we saw in 2019. But I
4 think it's the pattern that's really concerning. This
5 has been an industry that has really struggled. And
6 one of the reasons they've struggled is because base
7 rates haven't been increased significantly since 2007.
8 So one of the things that we're doing is increasing
9 base rates really very significantly. So that's number
10 one.

11 We've also had a lot of stimulus dollars
12 that have come into the state that have been allocated
13 to - to childcare. Last year, that was over \$220
14 million on top of we did pay for a short period of -
15 well, for a couple months we were able to pay based on
16 March enrollment. We can't do that forever because
17 federal rules won't allow us to, but we were able to do
18 that. That was to the tune of hundreds of millions of
19 dollars. And again, it's important to remember that
20 the childcare subsidy is not a provider support. It's
21 a workers - it's a family support. It's supposed to
22 support families. But we need childcare providers to
23 be around for those families, right, so I take your
24 point.

25 REPRESENTATIVE SCHWEYER: Sure. But I'm

1 just going to - it is a little bit of a - I don't know
2 if I should phrase it this way, but it really has the
3 same ultimately - ultimate effect. I mean, in
4 supporting those working families we are, in fact,
5 supporting those childcare centers at the same time.
6 All those childcare centers employ a whole lot of folks
7 as well, many of whom have college degrees. And many
8 of them are people that just come right out of high
9 school and are trying to establish themselves in a
10 career. So it kind of works both ways. There's a
11 little bit of a - of a symbiotic relationship there.

12 I have another question related. You
13 eliminated in the budget - or it's been proposed to
14 eliminate in the budget, I don't want to sound so
15 accusatory, the - the Education Retention Awards, if
16 I'm not mistaken.

17 SECRETARY MILLER: Yeah.

18 REPRESENTATIVE SCHWEYER: Why? It's
19 been around for a number of years, 10, 20 years,
20 something like that. Why are we eliminating that?

21 SECRETARY MILLER: It has been. So a
22 couple of things. It historically has provided
23 15-and-a-half million dollars. The awards range from
24 1,500 to 3,200 and it provided awards to about 9,000
25 people. There was always a waiting list, so there were

1 about a thousand people that we weren't able to serve.

2 Recognizing that the pandemic has hit
3 all childcare workers hard and they've all continued to
4 work - many of them have continued to show up, we used
5 that funding this year to provide what we're calling
6 COVID-19 Pandemic Relief Awards of \$600, but were able
7 to get 38,000 childcare providers - workers.
8 Essentially everyone who applied for this is able to
9 get that \$600.

10 So our childcare workers didn't get hero
11 pay. They haven't gotten anything else, like some of
12 our other frontline workers received, so this was a way
13 to make sure that we're getting everybody. And again,
14 40 to 50 percent of our childcare workers are on public
15 assistance.

16 REPRESENTATIVE SCHWEYER: Right.

17 SECRETARY MILLER: So \$600 goes a long
18 way.

19 REPRESENTATIVE SCHWEYER: So you
20 eliminated one program because it was underfunded and
21 you created another one that reduces the benefit, but
22 spreads it out further, is that correct, -

23 SECRETARY MILLER: So the other thing I
24 think that -.

25 REPRESENTATIVE SCHWEYER: - ostensibly?

1 SECRETARY MILLER: So we did eliminate
2 this program. In part, it's part of our racial equity
3 analysis as well. Because if you look at the childcare
4 workers that were actually getting those ERA awards, by
5 far they were in star three and four facilities. So
6 once again, by getting everybody, we're focusing on all
7 childcare facilities.

8 REPRESENTATIVE SCHWEYER: The Governor
9 proposed a budget that increases spending by a
10 significant margin. I don't disagree with many
11 components of his budget. I've been pretty - I've been
12 pretty supportive of it, I would - I would argue. Why
13 didn't you just - if we're increasing spending
14 everywhere else, why didn't we just add a few more
15 dollars and give that similar thing? You know, this
16 budget is a moonshot for the Governor, and I think we
17 all know that. Why didn't we just look at it from that
18 perspective?

19 SECRETARY MILLER: So Chairman Saylor
20 might have some ideas on why we didn't just add
21 additional - we're \$300 million in the hole now.

22 REPRESENTATIVE SCHWEYER: I have a
23 feeling Chairman Saylor's got a lot of ideas about the
24 budget.

25 SECRETARY MILLER: It's challenging.

1 REPRESENTATIVE SCHWEYER: Regardless, I
2 don't want to speak for the - for the gentleman. But
3 it's the Governor's budget, respectfully, not any
4 member of the legislature.

5 SECRETARY MILLER: There are a number of
6 areas in our budget where, if we could look at
7 investments, I think we would. And frankly, in
8 childcare, we made a huge investment in base rates.
9 That's going to be huge, and especially when you think
10 about what these awards were. They weren't supposed to
11 be sort of a replacement for additional wages, which is
12 what they kind of became. So I think in many ways the
13 base rate is going to help with that, because that base
14 rate increase will allow those childcare providers, if
15 they want to use those funds in that way, to help
16 supplant the income of those workers, they can do that.
17 So that's how we're helping childcare workers.

18 REPRESENTATIVE SCHWEYER: All right.
19 Thank you very much. Thank you, Mr. -
20 Mr. Chairman.

21 CHAIRMAN SAYLOR: Our next questioner is
22 Representative Owlett.

23 REPRESENTATIVE OWLETT: Thank you, Mr.
24 Chairman. And thank you, Secretary, for being here.
25 I'm going to reference your testimony

1 that we received last night. But just as a side note,
2 we have been getting the testimonies like the night
3 before, and it's requested in the letter to your
4 department to get them five days before. This isn't
5 just you. It's been a lot of the departments. Would
6 you commit here today to getting that to us like the
7 five days before like we ask from here on out.

8 SECRETARY MILLER: I would love to. If
9 it was only up to me, I could make that commitment. I
10 do apologize that you got it so late. I'm sorry.
11 That's not what we aim for. I'm just not the one that
12 gets to decide these things always.

13 REPRESENTATIVE OWLETT: Well, whoever is
14 making those decisions, please communicate to them -

15 SECRETARY MILLER: I will do that.

16 REPRESENTATIVE OWLETT: - that it would
17 be our desire to have them, per our request, five days
18 before. It's helpful for us to be able to review them.

19 SECRETARY MILLER: I can appreciate
20 that.

21 REPRESENTATIVE OWLETT: But speaking of
22 your report, you talked - and we literally just talked
23 about the demographics, the challenging demographics,
24 and you spoke to that. We have some challenging days
25 ahead, don't we, specifically around our senior growing

1 population and our - and our workforce starting to
2 decrease, our tax base that we're - that really support
3 these - these areas of your department. Would you say
4 that's one of our biggest challenges that we have going
5 forward?

6 SECRETARY MILLER: I think the increase
7 in the parents and grandparents, our elder population,
8 is one of our biggest challenges for our budget.

9 REPRESENTATIVE OWLETT: So we need to
10 build our base of revenue sources here in the state so
11 that we can support these - these incredibly valuable
12 services to all of our communities.

13 However, in the Governor's budget
14 proposal he is actually advocating for a 46-percent
15 increase in the personal income tax on this tax base
16 that we're talking about that literally supports our
17 senior population and a lot of these programs. Do you
18 believe this policy will attract entrepreneurs and new
19 job creators to build that base here in Pennsylvania to
20 help this decreasing tax base that supports our senior
21 growing population here in our budget?

22 SECRETARY MILLER: So from DHS's
23 perspective, what I can tell you is that PIT increase
24 is actually a tax decrease for the vast majority of the
25 people we serve. We serve low-income people. That

1 will be a huge help. And poverty is a real concern for
2 our agency, and we serve a lot of people in poverty.

3 My goal would be to help lift people out
4 of poverty so they don't need our services. But again,
5 that's not going to work for our parents and
6 grandparents.

7 REPRESENTATIVE OWLETT: But we're
8 talking about how do we increase that base. That's -
9 I'm going to go back to that.

10 SECRETARY MILLER: We need more young
11 people.

12 REPRESENTATIVE OWLETT: Yes, we need
13 more young people. We need more job creators. We need
14 more entrepreneurs looking at Pennsylvania and our tax
15 structure as real opportunity for them to invest in
16 Pennsylvania and create jobs that will create that
17 base.

18 So I'll go back. Like a 46-percent
19 increase in those individuals that are doing that,
20 they're creating these jobs, is probably not such a
21 great idea in the midst of the fact that they're
22 leaving now and we need to increase that. I mean, to
23 me it just makes sense that we have to create an
24 environment that attracts this - this base.

25 Correct?

1 SECRETARY MILLER: Sure. And again,
2 from DHS's perspective, I see this as a great policy to
3 really help lift people out of poverty.

4 REPRESENTATIVE OWLETT: Yeah.

5 So two main challenges that I see with -
6 with these growing demographics. We need to build our
7 tax base as well as cost containment and reforms.
8 Would you agree that those are two of the areas that we
9 can agree on today, that we need to build our tax base
10 and look at cost containments and reforms to try to
11 help with some of these challenges in our budget?

12 SECRETARY MILLER: We certainly, from
13 DHS's perspective, are focused on cost containment
14 efforts within DHS, absolutely.

15 REPRESENTATIVE OWLETT: So specifically,
16 what reforms or cost containments? You've been in the
17 Department for three-and-a-half years. Have you
18 implemented and what ones - like so past how many have
19 you implemented and how many are you looking forward to
20 here in the next year implementing as far as cost
21 containments and reforms?

22 SECRETARY MILLER: Absolutely. So if
23 you look at our budget, Medicaid is the largest part of
24 our budget, and so we have a number of ongoing
25 initiatives that aim to reduce Medicaid costs by

1 realigning incentives to drive quality high value care.

2 One of the biggest cost-saving measures
3 we've had, and this has been in place for a while, is
4 what we call our targeted efficiency adjustments. So
5 every year during the rate-setting process we look for
6 inefficient care, like avoidable hospital admissions or
7 inappropriate C-sections, and we reduce MCO rates
8 accordingly. Absent these adjustments, MCO rates would
9 have increased one billion dollars more than they did
10 over the last five years. So that's been one of the
11 major areas that we focused on.

12 We're also undergoing a complete review
13 of our efficiency adjustments to align our programs and
14 begin to mirror the efficiencies in our mature Physical
15 HealthChoices program in behavioral health and in our
16 Community HealthChoices program to find more
17 efficiencies in the future.

18 Another example I should highlight is
19 our work to really redesign our system and focus more
20 on value and less on volume of services. So that's one
21 of the things we're trying to do, but we're always
22 looking for ways to contain costs.

23 One other thing I just - I know we're
24 running out of time, but we have, again, because we're
25 always looking for cost containment, we've had an

1 initiative focused on MA recidivism. We've been
2 working very closely with Corrections to make sure when
3 people leave an institution they can get medicaid
4 immediately. Part of that initiative is also working
5 with the managed care organizations to recover costs
6 while they were incarcerated, because those shouldn't
7 be in the rates. And we've been able to recover \$44
8 million because of that. So those are the types of
9 things. One of the reasons we delayed our Family First
10 to October is we could save I think \$8 million between
11 state and local money. So we're always looking for
12 ways to contain costs.

13 The problem we have is when we're
14 underfunded by \$300 million, it's hard to find enough
15 of these to make up for that. And we've been doing
16 that for year after year. That becomes the challenge.

17 REPRESENTATIVE OWLETT: Especially with
18 a tax base that's decreasing. Like that - I mean, it's
19 - it's the perfect storm for your agency and for us as
20 a Commonwealth, and we have to take this seriously.
21 And building that tax base, looking at reforms and cost
22 containment is so important.

23 And just so those watching at home, to
24 understand how the budget works, when we go - you know,
25 we have a \$941 million supplemental, that - the

1 budgeting process, that's our - one of our first lien
2 items in next year's budget is we start out negative
3 \$194 million, so - or \$941 million. So that's just how
4 the process works for those that are wondering at home
5 how - you know, the logistics of that.

6 So thank you, Mr. Chairman, for the
7 time, and thank you for being here.

8 SECRETARY MILLER: Thank you.

9 CHAIRMAN SAYLOR: Next is Representative
10 Meghan Schroeder.

11 REPRESENTATIVE SCHROEDER: Thank you,
12 Chairman. Thank you, Secretary, and everyone for being
13 here live with us.

14 You know, I'm listening to everybody
15 talk about how, you know, expensive and complex the
16 budget is in this area today. And really, you know,
17 during the pandemic we have asked families to do more
18 with less and we have - trying to save money in any way
19 that we can and asking families to step up and do that,
20 too. And I'm listening to you talk about
21 Representative Brown's question and Representative
22 Owlett's question about where - where is the mentality
23 of where we can actually save taxpayer money? I feel
24 like it's always like let's expand programs and let's
25 make more programs. Why not - what are we doing to

1 actually save money?

2 And I heard what you said about you just
3 - you can't change the rolls and take people off the
4 rolls. Well, I'm looking here and how will DHS save
5 10.8 million in state funds when you can't disenroll
6 individuals from Medicaid?

7 SECRETARY MILLER: Did you guys want to
8 take that?

9 REPRESENTATIVE SCHROEDER: Because you
10 said 257,000, I believe -

11 SECRETARY MILLER: Right.

12 REPRESENTATIVE SCHROEDER: - people
13 staying on MA rolls, you can't kick them off. So that
14 ten million, what's going on?

15 MS. RACE: Are you referring to the
16 projected savings around the minimum wage initiative?

17 REPRESENTATIVE SCHROEDER: Yes. With
18 the - yeah, medical assistance.

19 MS. RACE: Yeah. So that's based on a
20 budget analysis, a projection. And when the projection
21 was developed, we used the best information we had at
22 the time. So at the time we did that analysis we were
23 making an assumption based on how an enhanced FMAP
24 worked in past situations. So we were trying to find
25 the most similar situations we could.

1 So what we did assume was that, as the
2 vaccination rolled out, the requirement that we could
3 not disenroll folks from Medicaid could possibly be
4 lifted as we saw the public health emergency lift. But
5 we did also assume that we would be able to continue an
6 enhanced FMAP, very similar to ERA, for the economic
7 reasons because we believe that the economic impacts of
8 the pandemic will outlast possibly the public health
9 emergency.

10 Now, I will say, since that analysis was
11 done to present for the budget, we have received
12 additional information from the Federal Government. So
13 this is one area, the entire minimum wage proposal, we
14 will be taking another look at and reassessing.

15 REPRESENTATIVE SCHROEDER: Okay.

16 So I think as something - as a personal
17 opinion here, I think if the Department would also
18 maybe look at maybe where to save once in a while, too,
19 I just - it's - listening to - so you need to have more
20 state funds because you can't disenroll.

21 Right? Is that what you're saying?

22 So people have to individually then go
23 and disenroll themselves? Okay.

24 MS. RACE: That's correct.

25 REPRESENTATIVE SCHROEDER: So I'm going

1 to switch roles here and talk about direct care worker
2 training program. And your budget request includes a
3 million dollar initiative in Community HealthChoices to
4 provide education and training to direct care workers.
5 Is this the same initiative that was included in your
6 Fiscal Year '20/'21 budget request that was not funded?

7 SECRETARY MILLER: That's correct.

8 REPRESENTATIVE SCHROEDER: Did you
9 implement this initiative any way and pay it with the
10 \$1.8 million from the long-term living appropriation?

11 SECRETARY MILLER: Jamie, do you want to
12 come up? This is Jamie Buchenauer, again, with our
13 Office of Long-Term Living.

14 MS. BUCHENAUER: Yes. No, we did not.

15 REPRESENTATIVE SCHROEDER: Okay.

16 Why do we need to fund it again this
17 year?

18 MS. BUCHENAUER: We are asking for the
19 funding again this year and the Governor's budget
20 reflected because we think that training is important.
21 I think a lot of the things that we talked about
22 already today, creating pathways for people to advance
23 through their careers, providing basic training for
24 direct care workers, it's a vital function that they
25 provide. They're providing personal care to our most

1 vulnerable.

2 REPRESENTATIVE SCHROEDER: And what is
3 the \$1.8 million for?

4 MS. BUCHENAUER: It's to create that
5 training for direct care workers in the Participant
6 Directed Model for the Office - under the Office of
7 Long-Term Living, our waiver programs.

8 REPRESENTATIVE SCHROEDER: So this
9 year? So that's this year, not next year, right? For
10 this year, what are you going to do, yeah?

11 MS. BUCHENAUER: We currently do not
12 have the training. It would start July 1st of 2021.

13 REPRESENTATIVE SCHROEDER: Okay.

14 So my next question is, in January
15 Governor Wolf announced grants totalling \$4.8 million
16 from the Department of Labor & Industry for four
17 organizations to provide direct care worker training
18 programs to approximately 3,000 individuals. Are the
19 individuals served through the L&I grants different
20 than those paid from the unbudgeted \$1.8 million in
21 long-term living appropriation?

22 MS. BUCHENAUER: My understanding is,
23 yes, they are.

24 REPRESENTATIVE SCHROEDER: Okay.

25 So it's my understanding that the

1 Pennsylvania Home Care Association works with the
2 Department of Aging to operate My Learning Center,
3 which is an online platform used for training
4 agency-hired workers, but it's free to anyone who wants
5 to take the courses. Why don't you leverage those
6 training materials for participant-directed workers?

7 MS. BUCHENAUER: We absolutely could.
8 We've also been looking at different models to provide
9 actually in-person training.

10 REPRESENTATIVE SCHROEDER: Okay.
11 Who is or would be eligible for these
12 grants and payments? Are direct care workers employed
13 by agencies eligible?

14 MS. BUCHENAUER: No, they wouldn't.
15 They would be actually eligible - the workers that are
16 hired by an agency, it's the responsibility of the
17 agency to provide that training. These are the direct
18 care workers in our participant-directed model, so they
19 work for our participants. We have an agency that
20 obviously is on staff called an FMS agency, a financial
21 management agency. It does the payroll and submits
22 claims to the CHCMOs.

23 REPRESENTATIVE SCHROEDER: Okay. Thank
24 you.

25 I think my time is up. Thank you,

1 Chairman.

2 CHAIRMAN SAYLOR: You're welcome.

3 Next is Representative Johan Lawrence.

4 REPRESENTATIVE LAWRENCE: Thank you, Mr.
5 Chairman. And I appreciate you being here today,
6 everyone.

7 Madam Secretary, I'd like to ask some
8 questions regarding the north Philadelphia Health
9 Enterprise Zone. Established in 2016, this effort set
10 out to provide better healthcare outcomes to residents
11 of north Philadelphia in ZIP Codes that, unfortunately,
12 have some of the highest poverty rates in the state.

13 A recent article on Generosity.org noted
14 that in 2018 the state made \$12 million available to
15 the Health Enterprise Zone with, and I quote, no public
16 report on how the money was distributed and no press
17 releases issued. The article goes on to say that you
18 approved \$7.3 million in additional funding in 2019.
19 Can you shed any light on what happened with that first
20 round of \$12 million, who got it and what they spent it
21 on?

22 SECRETARY MILLER: We've had several
23 rounds of HEZ funding, so I'm not sure what exactly the
24 12 million - I can tell you about the - what we did in
25 2019. And there have been press releases talking about

1 this funding. We certainly did one in 2019, when we
2 were making those investments.

3 REPRESENTATIVE LAWRENCE: Could this
4 committee get an itemized list of who got that \$12
5 million and what they spent it on?

6 SECRETARY MILLER: Sure.

7 REPRESENTATIVE LAWRENCE: Could you
8 direct that to the Chairman, Chairman Saylor?

9 SECRETARY MILLER: Sure.

10 REPRESENTATIVE LAWRENCE: Thank you.
11 And I think that's of concern.

12 At a press conference originally
13 announcing the HEZ initiative that we're discussing
14 here, one of the big goals that was discussed was to
15 help with the so-called super utilizers of emergency
16 rooms in north Philadelphia, and it was to help them
17 achieve better healthcare outcomes at a lower cost.

18 A DHS press release issued at the time
19 stated, and I quote, the Federal Government reports
20 that five percent of Medicaid recipients can drive as
21 much as 54 percent of all Medicaid costs in a
22 particular area. It goes on to say these individuals,
23 often called super utilizers, have the most complex
24 needs of any individuals served and have the worst
25 healthcare outcomes.

1 It then goes on to say that this effort
2 will, quote, identify the top 100 adult and 100
3 pediatric utilizers, super utilizers, and create a
4 coordinated approach that leverages resources to better
5 coordinate all aspects of their care and ensure they
6 receive the best possible care. Can you tell me, did
7 any of this ever happen?

8 SECRETARY MILLER: We have been focused
9 on trying to address the social determinants of health
10 of people in the HEZ. One of the ways and one of the
11 big investments we've made is around community health
12 workers because what community health workers do is
13 they get in and help people connect to these services.
14 And one of the missing elements - I think I was not at
15 the Department when we initially rolled out this
16 initiative, but one of the things when I came onboard
17 that it seemed like we needed to do is better
18 coordinate with the Department of Health around these
19 since it is a Health Enterprise Zone. So one of the
20 things we did as soon as I got onboard is started
21 coordinating with Health and working with them to
22 figure out how we could make the biggest difference in
23 - in the HEZ and really help improve health outcomes.
24 And community health workers was one of the areas we
25 identified where we could really help get people

1 involved in their healthcare and improve their outcomes
2 by focusing on that.

3 REPRESENTATIVE LAWRENCE: Were the top
4 100 adult and 100 pediatric super utilizers of
5 emergency rooms in north Philadelphia - it doesn't
6 sound like we know whether that ever actually was
7 accomplished.

8 SECRETARY MILLER: I - I'm not aware of
9 that since I've been at the agency.

10 REPRESENTATIVE LAWRENCE: So is
11 identifying super utilizers of these services still a
12 priority for DHS?

13 SECRETARY MILLER: Addressing social
14 determinants of health of the people we serve and doing
15 things like engaging them in their care, that is
16 definitely a priority.

17 REPRESENTATIVE LAWRENCE: But it doesn't
18 sound like identifying super utilizers of emergency
19 room services is -

20 SECRETARY MILLER: The initiatives we've
21 had -.

22 REPRESENTATIVE LAWRENCE: -
23 specifically.

24 SECRETARY MILLER: The initiatives we've
25 had in the HEZ since I've been onboard have not been

1 heavily focused on the super utilizers unless you count
2 working with community health workers to really engage
3 people in their care.

4 REPRESENTATIVE LAWRENCE: I guess what
5 I'm saying here is, I mean, the whole idea behind super
6 utilizers and identifying them is that a small number
7 of people are coming into multiple different emergency
8 rooms 50, 100, 150 times a year, and that costs the
9 state a lot of money. And obviously, these are folks
10 with serious health needs as well, who are not getting
11 great outcomes.

12 So I'm sure you're aware, programs in
13 Lancaster city, to try to tackle this, have shown that
14 by helping to address the root cause of these folks'
15 health issues, maybe there's, you know, mold in their
16 house or something like that, that they can remediate
17 that, then they have much better healthcare outcomes
18 and the state saves a tremendous amount of money.

19 What's a little frustrating to me is it
20 seems like this was an identified priority of the
21 Department. It seems like it kind of went by the
22 wayside and now we don't know if it really ever
23 happened or not. And now it sounds like maybe this was
24 a great idea and a great press conference and a lot of
25 talking points, and now it's kind of passe and we

1 forgot about it, but the idea is one that is very good
2 and probably could be pursued, but it sounds like to me
3 it's not being pursued right now.

4 SECRETARY MILLER: And Dr. Jacobs I
5 think is dying to speak here, so I'm going to let him
6 speak.

7 DR. JACOBS: So a lot of the people that
8 use the emergency room, have inpatient admissions as
9 much as you described, some of the super utilizers as
10 you referenced them, a lot of them have issues related
11 to social instruments of health. And what we mean by
12 that is a lot of them are homeless. A lot of them have
13 issues with - with food security. And so part of that
14 we've actually done overall is through our Medicaid
15 managed care organizations we have asked them to
16 partner with community-based organizations to really
17 address some of these profound - and as you mentioned,
18 like root causes of these issues, which oftentimes is
19 homelessness. And we've asked them to partner with the
20 community-based organizations who can provide those
21 social services to address those unmet social needs for
22 those very same people who are using the emergency room
23 over and over again. We find that that actually saves
24 money, too, which is - which is -.

25 REPRESENTATIVE LAWRENCE: Right. So my

1 time is up, but I would just appreciate, Madam
2 Secretary, if you could follow up with who got that \$12
3 million, what they spent it on. And I also would like
4 you to report back to the committee if those top 100
5 adult and 100 pediatric super utilizers were ever
6 identified and if those poor folks were ever helped.

7 SECRETARY MILLER: Sure.

8 REPRESENTATIVE LAWRENCE: Thank you.

9 Thank you, Mr. Chairman.

10 CHAIRMAN SAYLOR: Our next questioner is
11 virtual, and that's Representative Sanchez.

12 REPRESENTATIVE SANCHEZ: Thank you, Mr.
13 Chairman. Madam Secretary, thank you as well for
14 being -.

15 I want to continue along with the theme
16 of the social determinants of health, but on a slightly
17 different attack, one involving toxic lead in the
18 Commonwealth of Pennsylvania. I understand that two
19 recent DHS data points showed that only approximately
20 45 percent of children on Medicaid and 20 percent of
21 children with CHIP get two blood tests for lead
22 poisoning at ages one and two as the federal EPSDT
23 program requires, and that's the Early and Periodic
24 Screening Diagnostic Treatment. That's a Medicaid
25 benefit.

1 My question is two part. What are the
2 main barriers to getting our children tested? And
3 also, do you think that incentivizing Medicaid plans
4 and their provider networks to test children twice, at
5 ages one and two, would help overcome some of those
6 barriers so we can better identify more children at
7 risk from the harm of lead poisoning and, consequently,
8 better target our public health efforts and resources?

9 SECRETARY MILLER: So Representative, I
10 can tell you that the Department does incentivize both
11 MCOs and providers and our MCO incentive - incentive
12 providers to ensure EPSDT screens are completed on
13 children, which does include blood lead screens through
14 pay-for-performance and community-based management
15 initiatives. So that is something we currently do.

16 REPRESENTATIVE SANCHEZ: Thank you. And
17 just a comment. You know, as we - I would hope that
18 continued emphasis and even possibly more emphasis,
19 whatever we could do to remove those barriers, because
20 as you well know and I believe as you've discussed in
21 some of your testimony earlier about equity and racial
22 equity, this issue disproportionately affects our black
23 and brown communities. In Pennsylvania, nearly five
24 times more black children and two times more Hispanic
25 and Latino children are poisoned than white children

1 because they tend to live - to be more likely to live
2 in older properties with deteriorated lead-based paint.
3 So if you wish to comment on that, fine, but I can
4 leave that as a comment in general.

5 SECRETARY MILLER: I agree with you.

6 And I think we really need to be looking at these
7 things through - through that lens. And I think
8 everything you just said, I agree a hundred percent.

9 REPRESENTATIVE SANCHEZ: Thank you, Mr.
10 Chairman. That concludes my questions.

11 CHAIRMAN SAYLOR: Thank you,
12 Representative Sanchez. And I agree with you, there
13 seems to be a major problem there with lead, and it's
14 amazing that we're still dealing with that in today's
15 world.

16 So with that, we'll move to our next
17 questioner, which is Representative Keith Greiner.

18 REPRESENTATIVE GREINER: Thank you, Mr.
19 Chairman. And thank you, Madam Secretary, for being
20 here today in person. I do think it's nice that we can
21 have a face-to-face conversation.

22 I have several questions, so I'll try to
23 get through them fairly quickly. The first one is -
24 and I've heard this for quite a few years because
25 there's - Montgomery County, Lancaster County, we have

1 a lot of continuing care communities. In light of
2 long-term care, it's began to - you know, we've been
3 able to see and it's illustrated that there are major
4 differences between nursing homes and other care
5 settings, like personal care and assisted living
6 facilities. And I think we all can agree that a policy
7 objective that Pennsylvania's relying on Medicaid
8 should have a choice about where they receive the care.
9 And why then does somebody with advanced needs, without
10 a stable home, need to be placed in a nursing facility
11 while the Commonwealth remains recalcitrant about their
12 willingness to reimburse providers for assisted living
13 services? And when they would do that - and like I
14 said, we've had these discussions for years - that
15 would actually - you know, it's a less restrictive
16 setting and I think would be a much lower - I mean, I
17 think it would be a much lower cost for all of us and
18 for DHS. Maybe you can provide some insight into that.

19 SECRETARY MILLER: I'm going to look to
20 Jamie. I think Jamie's going to come up and help us
21 out with that one.

22 MS. BUCHENAUER: Yeah, absolutely.
23 Thank you for your question. And I think you're
24 looking to see - your question was asking if Medicaid
25 could be used to provide reimbursement for assisted

1 living services?

2 REPRESENTATIVE GREINER: Right.

3 MS. BUCHENAUER: Absolutely. I think
4 the Office of Long-Term Living has long looked at
5 funding assisted living services. I think the
6 contributing factor here and why we've not done it yet,
7 because we agree that assisted living is a continuum of
8 care service and could be very beneficial for some
9 people, it's been cost. I think - I can't remember the
10 actual budget - budget estimate that we made, but it
11 was significant. And so that's been the main factor
12 why we haven't moved forward with it yet.

13 REPRESENTATIVE GREINER: Like I said, I
14 think we get together, we meet, you know, with our -
15 with our continuing care communities, and that's often
16 brought up.

17 I do have another question. And maybe
18 this should have been more directed towards the
19 Department of Health, but I am - but I think Human
20 Services could be part of this, and I want to make the
21 inquiry, because I don't think the department of - the
22 secretary of Health got asked this question. You know,
23 we've had a lot of people contact our offices about
24 their parents, their relatives that are in continuing -
25 and they're not getting visitation. And I'd like to

1 know - I'm trying to think whether you're working with
2 the Department of Health. It is problematic. I mean,
3 I - I had an aunt that passed away, and she didn't see
4 her - you know, my cousins for 90 days. I mean, it was
5 only up to the end. And I know somebody else who
6 didn't see her mom for six months, and then she passed
7 away. Are there things that we're doing? I mean, I
8 know other states seem to be moving ahead a little bit
9 more quickly than we are, but is there anything we're
10 doing - excuse me - because I do think it's very
11 important when you get to that point.

12 MS. BUCHENAUER: Absolutely. We heard
13 the same thing from many of our stakeholders very early
14 on in the COVID public health emergency, how visitation
15 for individuals - and not only nursing facilities, but
16 personal care homes and assisted living residences was
17 really important.

18 We did follow the DOH guidance that was
19 issued regarding visitation. We did update our
20 guidance to allow compassionate care visitation. So if
21 an individual had a - their health was being impacted,
22 meaning they had - they were having mental health
23 issues, they had a downturn in their care, the facility
24 was to make arrangements to allow compassionate
25 caregivers to enter the facility and see the person.

1 REPRESENTATIVE GREINER: You know, I
2 just think, as a couple of my colleagues before, we
3 talk about cost containment, about things that we can
4 do to - particularly in this area with seniors, because
5 it is - it is problematic, the demographics, the way
6 our tax structure is here. Seniors don't have to pay
7 much income tax in this state. People move here
8 because of our favorable tax structure for seniors.
9 And it burdens - that's why we have such a tough burden
10 on younger people. The tax burden on the younger
11 people and businesses is more because seniors get such
12 a break, and we need to look at that. But I - but I
13 will say - like I said, I think that's something we
14 need to look at.

15 One other last question that come up the
16 last few years is the - was a potential - and I didn't
17 see it in the budget this year, a potential tax on
18 ambulatory surgery centers. And I just wanted to know
19 whether - whether that's off the table this year or
20 whether that's something that's still being considered,
21 because I do think they provide a valuable service,
22 too, that tends to be cost effective.

23 MS. BUCHENAUER: We agree with you, they
24 do provide a valuable service. The AMC initiative is
25 off the table in this budget.

1 REPRESENTATIVE GREINER: It is off the
2 table? I just wanted to confirm that.

3 Thank you, everybody, for being here.
4 Thank you, Mr. Chairman.

5 CHAIRMAN SAYLOR: At this hour we're
6 going to break for lunch, and we'll reconvene at one
7 o'clock. Appreciate you being here, and we'll give you
8 a little more time to go get lunch.

9 SECRETARY MILLER: Thank you, Mr. Chair.

10 ---

11 (WHEREUPON, A LUNCH BREAK WAS TAKEN.)

12 ---

13 CHAIRMAN SAYLOR: Madam Secretary, you
14 ready?

15 REPRESENTATIVE BRADFORD: Chairman, if I
16 could, just a point of personal privilege. I realize
17 we have a very important birthday today. And I know
18 we're going to dispense with the singing, but in the
19 light of keeping some levity, I just wanted to wish you
20 a happy birthday. I know our members, too, want to
21 give you the best for your big day.

22 CHAIRMAN SAYLOR: Thank you. I will say
23 I'm a little disappointed Brad - Matt, that you're not
24 singing to me today. I really wanted to hear your
25 voice.

1 REPRESENTATIVE BRADFORD: Well, in light
2 of the Commonwealth's demographic problems we've
3 discussed, I know we don't need any - we don't want to
4 make too light of the growing challenge we have.

5 CHAIRMAN SAYLOR: Thank you, Matt.
6 Thank you, all.

7 With that, we'll start off with
8 Representative Ryan Warner.

9 REPRESENTATIVE WARNER: Thank you, Mr.
10 Chairman. Happy birthday. Thank you, Madam Secretary,
11 Deputy Secretary staff, for joining us here today.

12 So I quickly want to discuss the 2016
13 audit, if you're familiar with it. And in 2016 the
14 Department was audited by Auditor General Eugene
15 DePasquale. In that audit it was discovered that the
16 Department of Human Services in just one year, that
17 Pennsylvania taxpayers paid nearly one million dollars
18 in public benefits to 2,324 people who had already
19 died. According to the Auditor General, in one case we
20 found a cardholder who died on May 1st, 2013, continued
21 to receive \$200 per month placed on their EBT card
22 through September. Then over a 22-day period in
23 December and January, nearly \$800 in purchases were
24 made the following year with that card.

25 Now, DHS has changed their policy to

1 require caseworkers to take immediate action when they
2 receive a recipient's death notice. My question is
3 could you tell me specifically what these actions are
4 and have you done any internal audits to determine if
5 these actions have worked?

6 SECRETARY MILLER: So I know we have
7 taken several actions. And I was just looking to see
8 if I have - if I have notes in front of me that go
9 through all of them, but I know that with respect to
10 deaths in particular, I think there's a couple
11 different databases that we double check for deaths so
12 people are disenrolled after they've died.

13 And we really do work very closely when
14 it comes to fraud - I mean, this is an issue we take
15 very seriously because we've talked about it today, I
16 mean, we serve more than three million Pennsylvanians
17 and provide services that they really rely on. So
18 focusing on fraud is important.

19 REPRESENTATIVE WARNER: Has there been
20 any internal audits within the department just to check
21 to see if those changes have worked? In other words,
22 could you assure Pennsylvanians right now that the
23 changes that you have made have stopped deceased people
24 from receiving benefits? Could you assure us that?

25 SECRETARY MILLER: I can assure you of

1 that. I don't know if we've done internal audits. I
2 can check on that.

3 REPRESENTATIVE WARNER: Be able to send
4 me specifically any information that I could tell my
5 constituents and the residents and taxpayers of
6 Pennsylvania that they are not paying money to deceased
7 people?

8 SECRETARY MILLER: Absolutely.

9 REPRESENTATIVE WARNER: Thank you.

10 Okay. Moving along further with that
11 audit, over the course of three years it was also found
12 that PA EBT cards were used in 50 states, Guam, the
13 Virgin Islands, Washington, D.C. Now, the majority of
14 this out-of-state activity was in our six adjacent
15 states. However, \$14 million during that timeframe was
16 spent in Florida, which is almost double the amount
17 that was spent in West virginia, which is an adjacent
18 state, \$6 million in North Carolina, \$6 million in
19 Virginia, \$5 million in Georgia, \$100,000 in Hawaii,
20 and \$45,000 in Alaska.

21 Though, during the audit it was found
22 the department had made improvements during the time
23 period, the Auditor General has suggested that your
24 software system be upgraded to better track this
25 spending. Have you done that?

1 SECRETARY MILLER: I would have to check
2 to see if our system has been upgraded, but I will say
3 it's really important to note that SNAP benefits and
4 EBT cards by federal rules, because it's a federal
5 program, have to be available for use in all states.
6 And the number of out-of-state transactions accounts
7 for 2.7 percent of all transactions.

8 REPRESENTATIVE WARNER: I agree with
9 that. It should be noted that it is federal law that
10 the cards have to be allowed to be used out of state.
11 However, it is still up to your department to track
12 whether they are being used fraudulently. And I would
13 just raise a flag when you hear that \$14 million was
14 spent in Florida during - during a three-year time
15 period and that more money - which is more money than
16 West Virginia, which is one of our bordering states, \$6
17 million - and now, statistically, for total use, yes,
18 it may be low, but you're talking about a department
19 that's struggling for money. So we're talking \$6
20 million in North Carolina, \$6 million in Virginia, \$5
21 million in Georgia, \$100,000 in Hawaii, 45 in Alaska.
22 It may seem small, but it adds up, especially for a
23 department that is sitting here, asking the General
24 Assembly for more money.

25 So I know that it is legal, but I'm

1 asking you, since that timeframe, has this department
2 done anything? Have you upgraded the software system?

3 SECRETARY MILLER: I don't know
4 specifically about the software system, but these
5 issues that you're addressing are addressed.

6 I would also say these are federal
7 funds. I know this is a state budget hearing, so these
8 are all federal funds. They're still important.
9 They're taxpayer dollars, but they are federal funds
10 that come from the Federal Government to our citizens.

11 REPRESENTATIVE WARNER: Would you be
12 able to get back to me to let me know whether there was
13 any update after that audit? Has there been any
14 changes to the software system that was suggested by
15 the Auditor General?

16 SECRETARY MILLER: Sure.

17 REPRESENTATIVE WARNER: Okay.

18 And my last question, because I am
19 running out of time here, another finding from that
20 audit is that authorized representative for EBT cards
21 are not held accountable to the same standards as a
22 regular EBT card user. Authorized representatives can
23 be people that represent someone that is mentally or
24 physically disabled, need assistance, and allow them to
25 be designated as the authorized user for the card.

1 When an EBT recipient gets their card,
2 they're required to sign documents stating that they
3 understand how the card is to be used, but DHS does not
4 require authorized representatives to sign such a
5 document. Other states, such as California, Michigan
6 and other states across this country, do require that.

7 This is a direct quote from the Auditor
8 General. It is ludicrous that a common sense change in
9 process that will increase accountability has not yet
10 been made, noting that DHS has no way of knowing if
11 authorized representatives are appropriately using the
12 benefits for cardholders who are often the most
13 vulnerable recipients. Because of this, because they
14 don't have to sign that documentation, they are
15 precluded from being investigated from the OIG.

16 Since that timeframe, do you require
17 authorized users to sign the same documentation as a
18 standard EBT card user based on the Auditor General's
19 recommendation?

20 SECRETARY MILLER: I would have to check
21 on that.

22 REPRESENTATIVE WARNER: Okay.

23 So you don't know whether -

24 SECRETARY MILLER: I don't know.

25 REPRESENTATIVE WARNER: - they are or

1 not?

2 SECRETARY MILLER: That's correct.

3 REPRESENTATIVE WARNER: All right.

4 Thank you, Mr. Chairman. I appreciate
5 it.

6 SECRETARY MILLER: Thank you.

7 CHAIRMAN SAYLOR: Madam Secretary, if
8 you'll make sure you get those back to us, and we can
9 share it with the entire committee.

10 SECRETARY MILLER: Absolutely.

11 CHAIRMAN SAYLOR: Very good.

12 Our next questioner is Representative
13 Natalie Mihalek.

14 REPRESENTATIVE MIHALEK: Thank you, Mr.
15 Chairman. Thank you, Madam Secretary.

16 I want to ask about the PA Workwear
17 Program. And for background for those watching, PA
18 Workwear provides eligible recipients with work-related
19 clothing. This program replaced a cash-based special
20 allowance following a 2009 Auditor General
21 investigation that uncovered significant fraud and
22 abuse because it basically would give \$150 cash for the
23 purchase of work clothes, and the recipients were using
24 it for other purposes.

25 In 2019, DHS attempted to end the PA

1 Workwear Program and revert back to the cash allowance.
2 The legislature stepped in last year, as you know, and
3 extended the Workwear Program through June of 2021. So
4 I understand, again, that your department has recently
5 announced its intent to end the Workwear Program.

6 Is that correct?

7 SECRETARY MILLER: It is.

8 REPRESENTATIVE MIHALEK: And why are you
9 choosing to end the program and revert back to the cash
10 allowance program that was unsuccessful?

11 SECRETARY MILLER: Sure. And just to be
12 clear, PA Workwear doesn't operate in all 67 counties,
13 so - it operates in 38. In the other 29 counties we
14 still had the \$150 fall. And there have been a lot of
15 improvements to that problem - or to that program based
16 on the audit.

17 But the reason that we - that we are
18 proposing to eliminate the program is because this was
19 - to your point, this program was implemented to
20 address an 11-year old audit and has since become a
21 program that just has very high costs and very minimal
22 value, in part - and this is really important, because
23 our TANF program we serve roughly a third of the
24 population that we served 11 years ago. So we just
25 don't have nearly as many people to serve. So when you

1 look at PA Workwear's costs, they served in 2019/'20
2 2,287 people at an average cost per client of over a
3 thousand dollars.

4 REPRESENTATIVE MIHALEK: But you can
5 adjust the grants to the program to make it more cost
6 effective.

7 Could you not?

8 SECRETARY MILLER: So that's something
9 that if the legislature wants to have a discussion
10 about resizing this to account for the fact that we
11 serve a third of the people, we can certainly have that
12 discussion.

13 REPRESENTATIVE MIHALEK: Because it is
14 an effective program. And I want to highlight one of
15 the programs that's been very successful under this.
16 It's called Dress for Success, and they've done amazing
17 work in this space. They receive 62 percent of their
18 funding through PA Workwear. So you can imagine what
19 the elimination of this program would do to an
20 organization like that. And I just want to read their
21 mission statement. It's we empower women to achieve
22 economic independence by providing a network of
23 support, professional attire and development tools to
24 help them thrive in the workplace. So that's so much
25 more than a new outfit for, you know, people going to

1 this organization. It helps remove barriers to
2 employment, improve employment outcomes, break the
3 cycle of poverty, and in so many cases, break the cycle
4 of violence, because we know victims of domestic
5 violence will often return or stay with their abusive
6 partner when they have no income of their own. So this
7 is well beyond just providing a clothing allowance.

8 So organizations like Dress for Success,
9 they provide their clients with connections to other
10 non-profits to get housing, to get counseling, to get
11 help with domestic abuse, and a whole number of other
12 services. In addition, they'll teach soft skills like
13 the importance of showing up to work on time, resume
14 building, presentation skills. You can go into their
15 facility and log onto the computer, and they'll help
16 you with job applications. So the elimination of this
17 program is just going to severely diminish the ability
18 to, you know, get - get that - those resources to these
19 people who really, really need them.

20 So if we are going to eliminate the
21 program for - in all of the counties and go back to the
22 cash based, how long is that switch going to take? So
23 if it ends on June 30th, are you going to be up and
24 running July 1st to have that cash allowance available
25 in all 67 counties?

1 SECRETARY MILLER: Yes, that - that
2 would be the plan if it were eliminated.

3 REPRESENTATIVE MIHALEK: Okay.

4 So do you have things in place right now
5 to ensure that there is, you know, a continuum of
6 services in this regard? Because I just think, in this
7 economic environment, we can't afford to have any lag
8 time whatsoever. There's going to be an uptick in new
9 employment as businesses are opening back up. We're
10 already seeing it in the restaurant industry.
11 Oftentimes you can be interviewed and hired in the same
12 day. And to work in the restaurant industry you need a
13 pair of black pants normally and a pair of non-skid
14 shoes. And if you can't get it, somebody else will,
15 and they're going to get the job. And it sounds like a
16 small thing, but good luck finding a pair of non-skid
17 shoes in Washington County. So when you're handing
18 somebody this \$150 and they've got to go out on their
19 own and just come up with a pair of non-skid shoes,
20 especially if you've got transportation issues, you're
21 not going to find them. And you're certainly not going
22 to find them the same day.

23 Dress for Success has it covered. They
24 have them in stock, every size. And if you can't get
25 to them, even though they're on the bus line, they will

1 get them to you. So I know it sounds small, but it can
2 sometimes be a barrier, you know, to somebody getting
3 employment. So I just - time is of the essence if the
4 switch is made.

5 I hope, ultimately, that this is
6 reconsidered and we don't revert back to a program that
7 was, you know, just ripe with fraud and waste and
8 abuse. And I just think, to end - I know my time is
9 up, Mr. Chairman, that if we, you know, give a man a
10 fish, you know, he can eat for a day. If we teach him
11 a fish, he can eat for a lifetime. I feel like the
12 cash allowance, we're throwing a fish at these people
13 and hoping that they catch it.

14 So thank you for your time today, Madam
15 Secretary.

16 CHAIRMAN SAYLOR: Next is Representative
17 Dave Zimmerman.

18 REPRESENTATIVE ZIMMERMAN: Thank you,
19 Mr. Chairman. And thank you, Madam Secretary and your
20 team, for joining us here today.

21 So with - with the elderly, it's one of
22 our largest costs here in Pennsylvania, and as you know
23 and very well. So what I'd like to do is just talk a
24 little bit about our nursing homes and the losses that
25 we've had throughout COVID here.

1 So I'm of the age where I've had parents
2 in a nursing home for the past several years, and so
3 many of their friends and some of my relatives died
4 with COVID, and they died alone. And such a - you
5 know, just a very difficult year for so many, you know,
6 where they died alone in these nursing homes. And -
7 and then there was very limited services for most of
8 them and so forth. And I come from Lancaster County,
9 where we still have large families and - and so forth.
10 So it's been a very difficult time. So throughout
11 Pennsylvania, we - we lost nearly 13,000 just in
12 nursing homes. And again, just a sad, sad, sad time
13 and a sad year for so many.

14 This morning you - you responded to one
15 of my colleagues on the other side that your department
16 really has very little to do with - with these nursing
17 homes and that it's really the Department of the Health
18 that - that works with - with our homes, yet last
19 spring you were quoted in a newspaper article where you
20 said we are committed to continuing networks of support
21 for these facilities. So what - what did you mean by
22 that quote?

23 SECRETARY MILLER: Without knowing the
24 rest of the article, I'm wondering if that was talking
25 about the support programs we put in place to support

1 not just nursing facilities, but we do share with
2 Health regulation of long-term care facilities. So we
3 regulate personal care homes and assisted living
4 facilities. Department of Health oversees nursing
5 homes.

6 What we did, and I'm really proud of
7 this work and couldn't thank our - our team more for
8 the work they did to really very quickly in this
9 pandemic set up a support program that initially was
10 called the Educational Support and Clinical Coaching
11 Program. Later became the Regional Response Health
12 Collaborative Program. I think I got the acronym
13 right. RRHCP is what we called it. You all funded
14 that to the tune of \$175 million. And I will say, to
15 your point, what has happened in congregate care
16 settings and the impact that COVID has had on people in
17 those settings because of outbreaks is - is tragic. It
18 is - and just to think about the families who are
19 missing those individuals - these programs that we set
20 up were really pretty amazing in terms of the support
21 they were able to provide facilities. So when we look
22 at data pre-RRHCP and post-RRHCP, we can see that we
23 have saved lives with that program. Because when these
24 facilities were experiencing outbreaks, particularly
25 our facilities, where you don't have a clinical model

1 in most cases, so personal care homes typically don't
2 have clinicians onsite. And when they were dealing
3 with an outbreak, that could be incredibly scary. And
4 connecting them with health system experts who have the
5 epidemiologists and the clinical support you need to
6 really get in there - and we did rapid response when we
7 needed to, where we could address an outbreak very
8 quickly with all the supports, whether that was PPE,
9 cohorting, testing, all of those things, and we saw -
10 as we know with community spread, community spread is
11 how - how COVID gets into these facilities. And what
12 we saw with RRHCP is you can't control COVID getting
13 into these facilities, unfortunately, -

14 REPRESENTATIVE ZIMMERMAN: Right.
15 Right.

16 SECRETARY MILLER: - but what you can
17 control is the impact of the outbreak. And we were
18 able to do that.

19 REPRESENTATIVE ZIMMERMAN: Right. But
20 with some - many of these homes, where they would admit
21 and readmit patients and COVID-positive patients, did
22 your department provide any support in those areas?
23 And if so, what might have that been?

24 DR. JACOBS: Yeah. Thank you so much
25 for the question. And to build off of what the

1 Secretary was saying, with the RRHCP program, which is
2 the program that the legislature funded, we had a
3 special policy. They were called alternative care
4 sites. And what that meant was when there was a
5 COVID-19-positive individual who was being discharged
6 from a hospital and the long-term care facility that
7 they were going back to or were about to go back to
8 couldn't take care of them, then the experts that we
9 worked with in the healthcare systems provided an
10 alternative space for them to recuperate from COVID-19
11 and socially isolate so that, by the time they went
12 back to their facility, the facility was safe and they
13 weren't infectious anymore.

14 REPRESENTATIVE ZIMMERMAN: Well,
15 appreciate - appreciate that.

16 I'm going to just end with a question
17 that I've been receiving from some constituents. And I
18 know there's - there's others heard this. And
19 hopefully, there's - there's no truth to it, but
20 constituents have been asking, you know, in light of
21 what - what has happened and how it's been handled, you
22 know, from many angles throughout the state, is there a
23 chance that there's a coordinated effort to reduce the
24 population of our elderly? How would you respond to
25 constituents asking me such a question?

1 SECRETARY MILLER: That's sort of a
2 horrifying question.

3 REPRESENTATIVE ZIMMERMAN: Very much.

4 SECRETARY MILLER: Absolutely not. We
5 have done everything from the administration's
6 perspective, working closely with Department of Health,
7 with PEMA, with the National Guard, to support these
8 facilities. And one of the reasons that we're all
9 wearing masks today and social distancing and doing all
10 of that is because we know that community spread and
11 our heroes who are going in and continuing to do the
12 work to support these individuals, that's how COVID is
13 getting into these facilities, which is why these
14 protections are so important.

15 But what we've done is really supported
16 these facilities when outbreaks did occur to minimize
17 the impact and save lives. Almost 13,000 people dying
18 is absolutely tragic. My fear is, without those
19 programs, that number would have been a lot higher.

20 REPRESENTATIVE ZIMMERMAN: Thank you,
21 Madam Secretary. Thank you, Mr. Chairman.

22 CHAIRMAN SAYLOR: Representative Tim
23 O'Neal?

24 REPRESENTATIVE O'NEAL: Thank you, Mr.
25 Chairman. Thank you, Madam Secretary, for being here.

1 I'd like to begin by just touching base
2 on an issue that's pretty important to - to families in
3 my area, as well as thousands of others across the
4 Commonwealth, and that's access to ventilator care in
5 nursing homes.

6 I'm sure you're aware there's been a
7 growing concern in recent years regarding the level of
8 Medicaid funding provided in nursing home facilities
9 that specialize in ventilator and tracheotomy care.
10 There's been small but vital steps to address this
11 issue in recent-year budgets, but many of these
12 facilities are now facing dire situations. Both
13 Senator Bartolotta and I have introduced legislation to
14 address this matter.

15 We do know that facilities are closing
16 their vent units across the Commonwealth and that
17 others may be forced to close their doors altogether.
18 If this occurs, we're going to have a crisis on our
19 hands, as individuals who rely on the specialized
20 ventilator and tracheotomy care would then be faced
21 with two scenarios, either hope that bed space is
22 available in another vent care unit potentially
23 hundreds of miles away or be moved to an inpatient
24 hospital setting, where the cost of care is - is often
25 four times more expensive than the care - and the care

1 may not be specialized.

2 So given these scenarios and the
3 undeniable concerns we must consider relative to the
4 pandemic and its effect on Pennsylvania's most
5 vulnerable residents, especially those in need of
6 ventilator care, can you please explain what your
7 department is doing to ensure that there's adequate
8 access to care through these facilities?

9 SECRETARY MILLER: Yes. So this has
10 certainly been an issue that's come up quite a bit.
11 And obviously, the care that they're providing is - is
12 critical. So you know, to address the unique needs of
13 these facilities the Department established several
14 contractual requirements and protections in our
15 Community HealthChoices Agreements. These facilities
16 have some of the same protections that other nursing
17 facilities have, including a rate floor for the first
18 36 months of CHC. But DHS also recognizes the
19 specialized level of care provided by Peer Group 13
20 facilities. So to allow the CHC, MCOs flexibility in
21 negotiating rates with Peer Group 13 facilities and
22 mitigating the MCOs' concerns about adverse selection,
23 we also added a Peer Group 13 risk pool to the '22 - to
24 the 2020 CHC Agreement. So that risk pool allows MCOs
25 to negotiate without the risk of a disproportionate

1 share of their population in need of costly ventilator
2 and tracheostomy care services and getting a
3 disproportionate share.

4 So the risk pool compensates every CHCMC
5 relative to the share of its Peer Group 13 cost claims.
6 And of course, in response to the COVID-19 public
7 health emergency, these facilities also received
8 additional financial supports in the amount of \$8
9 million through Act 24 and allocations of CARES Act
10 funds. Those funds were allocated proportionately
11 across the qualifying facilities. And those funds
12 specifically were for these facilities. They were in
13 addition to the portion of the \$245 million general
14 nursing facility allocations that these facilities
15 would have also received.

16 So we certainly appreciate the concern.
17 And frankly, this is another area where talking about
18 investments in our system makes a lot of sense. It's
19 just really difficult to do that from a deficit in our
20 budget.

21 REPRESENTATIVE O'NEAL: Of course. And
22 you know, I would just like to acknowledge some of
23 those changes that have been taking place in recent
24 years still have not necessarily corrected the problem.
25 I think it's pretty important. We still have projected

1 beds that are going to go offline. You have - you have
2 providers across the Commonwealth that are simply
3 eliminating these beds because they're not cost
4 effective. And we're nearing a crisis state in this
5 particular avenue of care or this - this method of
6 care.

7 I'd like to - I'd like to switch gears
8 and go - and talk more specifically about a budget
9 issue. The fee-for-service appropriation model
10 includes a line select plan for women - Women Family
11 Planning Council Grants. The enacted 1920 (sic) budget
12 included one-and-a-half million dollars for this line,
13 but your department spent \$1.775 million. Fiscal year
14 2021 enacted budget included \$1.775 million for this
15 line. And the model included in the Blue Book
16 indicates that you plan to spend \$2.525 million, or 40
17 percent - 42 percent more than was included in the
18 enacted budget. So you're asking for an additional
19 \$329 million supplemental for the fee-for-service
20 appropriation so that the 42-percent increase is not
21 coming from surplus funds.

22 My question to you, and it might - it
23 might seem a little blunt, but quite - quite literally,
24 does the enacted budget mean anything to your
25 administration? Has the Governor given you permission

1 to expand grants and entitlement programs without
2 regard to the enacted budget?

3 SECRETARY MILLER: So I think you bring
4 up a really good point about the fact that we're an
5 entitlement agency, and so yes, we have an appropriated
6 budget. But because we're an entitlement agency and we
7 have to provide services to people who are eligible for
8 them, we have to do that regardless of whether there's
9 funding available. So that becomes the difficult
10 issue. So we're in a situation now where we're
11 underfunded.

12 REPRESENTATIVE O'NEAL: So Madam
13 Secretary, is this - is this grant program an
14 entitlement program?

15 SECRETARY MILLER: So I'm sorry. You
16 said entitlement, so I was going off of that. I don't
17 know that this program is an entitlement program.

18 REPRESENTATIVE O'NEAL: From my
19 understanding, it's not. So we're 42 percent over
20 budget in a situation - this is just one small example
21 of - of where there is clear overspending - you know, I
22 would - at least from my perspective, standing here
23 today, I would say mismanagement in a line item in your
24 department. And I think - I think the General Assembly
25 and, quite literally, the citizens of Pennsylvania

1 deserve an answer of why there is a 42 percent
2 overspending in line items like this and just - I'm out
3 of time, so I would just - one other point that I think
4 we deserve an answer is how many other line items are
5 similar?

6 So again, I'm out of time. Thank you,
7 Madam Secretary. Thank you, Mr. Chair.

8 CHAIRMAN SAYLOR: With that, I'll
9 recognize Representative Doyle Heffley.

10 REPRESENTATIVE HEFFLEY: Thank you, Mr.
11 Chairman. And thank you, Madam Secretary, for being
12 here. I want to commend you and your staff for being
13 here in person. I think it's really important that as
14 public servants that we - that we step up and realize
15 that our jobs are essential and come to work. So thank
16 you for being here.

17 The question I have is the Bureau - I
18 believe it's the Bureau of Program Integrity - so the
19 processes that the state has to detect Medicaid fraud,
20 I believe some of these are federal mandates that have
21 things implemented, have there been any modernization
22 or updates to that program? And also, one of the
23 things that we heard yesterday from Unemployment was
24 the amount of fraudulent unemployment claims that had
25 really been jamming up the system. I think it as like

1 140,000 cases. Have we seen that type of fraud and
2 abuse? Are we detecting that? Are we missing it? Do
3 we need to modernize to catch that type of fraud in the
4 Medicaid system?

5 SECRETARY MILLER: Yeah, I think - you
6 know, as I mentioned earlier, fraud and detecting fraud
7 is really important, because we need to make sure that
8 these precious state dollars are going to the intended
9 recipients.

10 I'm aware of some of the issues that
11 Unemployment Compensation has faced. We have not seen
12 such issues in Medicaid. And we are able to look at
13 things. In fact, I mentioned PeopleStat earlier. We
14 were looking at error rates in SNAP earlier this week,
15 and we watch those and monitor them. And we have not
16 seen our error rates change, and so we do have systems
17 to check this.

18 People who are coming onto Medicaid
19 today, we still have the same screening process that we
20 had prior to the pandemic. So we screen applicants and
21 beneficiaries against 12 different databases. We
22 crosscheck with other states, Federal Government. We
23 partner closely with Pennsylvania's Auditor General,
24 the Attorney General, the State Inspector General, to
25 monitor, refer and take actions against suspected or -

1 or known fraud.

2 REPRESENTATIVE HEFFLEY: And have those
3 systems - do we continually modernize and update those
4 systems to catch the new scams?

5 SECRETARY MILLER: We are continually
6 updating them. We also work, as I mentioned, very
7 closely with the Office of the State Inspector General.
8 So they're out there investigating potential fraud, and
9 so we coordinate very closely with them to understand
10 what's happening on the ground, but we are constantly
11 updating these - these systems. And I will say we've
12 also been recognized by the Federal Government for some
13 of our work in this area to detect fraud.

14 REPRESENTATIVE HEFFLEY: I mean, because
15 it's concerning to myself. And every year we come in
16 here and we look at cost overruns and supplementals,
17 and we're doing that again this year. But just to
18 pivot a little bit to what I see could really be
19 another cost driver for the Department, and there was a
20 lot of conversation earlier about the 15-dollar-an-hour
21 minimum wage and how that would impact home - home care
22 workers, skilled nursing facilities, direct care
23 workers - direct support professionals, you know,
24 taking them and giving everybody a raise. So now you
25 have the people that are making \$15 now. When

1 everybody else is making 15, now they're going to get
2 maybe \$17 or \$20, but yet Medicaid has not -
3 reimbursements have not gone up for any of these
4 facilities and they're struggling now. How are they
5 ever going to absorb that cost? And how much is that
6 going to cost the entire system? Because essentially -
7 I mean, everything - everything is going to cost more.
8 Every - all your employment is going to cost more and
9 all the services, the vendors. Everything is going to
10 go up. So I'm very concerned when we look at
11 continually having cost overruns now, increasing that
12 cost. And we want to make sure these folks are
13 provided for, don't get me wrong, but \$15 an hour in
14 one part of the state is different than \$15 in another
15 part of the state. But I really want to know have you
16 really examined what is that going to do to the - so if
17 somebody now is making \$10 an hour and they're going to
18 go to \$15. But somebody who's making \$14, where are
19 they going to go? Like, are they going to go to \$15?
20 They're going to get a dollar raise and somebody else
21 get a four-dollar raise? Or is that \$14 person going
22 to go up to \$19, and what is that going to do - is
23 Medicaid planning to increase reimbursement rates to
24 offset those costs?

25 SECRETARY MILLER: So to your first

1 point - or one of your first points about the impact of
2 the minimum wage increase across our system, so just to
3 be clear, we did look at that. We look across our
4 system. I think I noted this morning that the only
5 area of our system - the only workers in kind of DHS's
6 overarching system that don't make \$12 an hour are in
7 childcare. Our direct care workers, our direct support
8 professionals, they're all over that.

9 REPRESENTATIVE HEFFLEY: So we're
10 definitely looking at huge increases for anybody that
11 relies on childcare? I mean, they're - obviously,
12 they're going to have to be paying a lot more to drop
13 their child off at daycare so they can go - go to work.
14 I mean, it's going to be a huge increase for them, just
15 as it will be for the state.

16 SECRETARY MILLER: Well, childcare
17 workers are about \$11.37 an hour, I think. So it will
18 be a little bit of a bump for - for childcare workers.

19 REPRESENTATIVE HEFFLEY: So I mean - but
20 I mean, I think you're looking at the difference
21 between like a minimum wage, which is a starting
22 salary, and I think it's 85 to 90 percent of people
23 that earn that are students, high school students,
24 college students, that won't have opportunities if the
25 - if the rate is increased that much. But then you

1 have - if you're going to look at a livable wage or a
2 minimum wage, I think there's two separate things. And
3 I just really - with the cost overruns we're
4 experiencing now, I don't see how we can afford more -
5 additional costs in here and provide those same
6 services. Thank you.

7 CHAIRMAN SAYLOR: Next I'll recognize
8 Representative Zimmerman.

9 REPRESENTATIVE ZIMMERMAN: Thank you,
10 Mr. Chairman. And Madam Secretary, I just want to go
11 back and apologize for my last question. I misphrased
12 the question that I had repeated from a question from
13 one of my constituents. What I meant to ask was
14 whether there was anything more that could have been
15 done to protect seniors in nursing homes. In no way
16 did I mean to imply any intentional actions by the
17 Governor or by your department.

18 SECRETARY MILLER: I appreciate that.
19 Thank you.

20 CHAIRMAN SAYLOR: Very good. Our
21 next -.

22 REPRESENTATIVE BRADFORD: If I could,
23 Chairman?

24 CHAIRMAN SAYLOR: Yes. Representative
25 Bradford?

1 REPRESENTATIVE BRADFORD: I want to
2 thank the gentleman for recognizing how upsetting that
3 was to many of us. And I do appreciate that. This has
4 gotten way far afield, and I recognize the sincerity of
5 your apology and appreciate you taking the bull by the
6 horns.

7 We've all got to lower the temperature
8 on this because those type of things that we see on the
9 internet and such, it's not healthy, and we need to get
10 back to a serious conversation. But I do sincerely
11 appreciate what you did today.

12 CHAIRMAN SAYLOR: I want to recognize
13 Representative Chris Quinn.

14 REPRESENTATIVE QUINN: Thank you, Madam
15 Secretary for being here today.

16 Back in 2016, 14-year-old Grace Packer
17 was brutally murdered by her adoptive mother. Her
18 mother had been a county child welfare worker. And her
19 mother's boyfriend also participated. Her death came
20 after years of physical, sexual and psychological
21 abuse. And other children were also involved that were
22 in her mother's care.

23 Grace's adoptive mother knew where the
24 holes were in the system and she exploited them to stay
25 a step ahead of the authorities. DHS issued a report

1 that highlighted multiple failings and issues in the
2 welfare system back in 2018. The report noted that a
3 statewide database would be created to allow the
4 counties to communicate. It's my understanding that
5 OCYF is currently working on the development of a
6 statewide information system that would basically share
7 information between the counties.

8 Is that accurate?

9 SECRETARY MILLER: That is, yes.

10 REPRESENTATIVE QUINN: But it's also -
11 my understanding, it's not expected until 2023. I'm
12 told that it's a top priority, but it seems like a long
13 period of time to simply create a database that shares
14 information. Can you shed some light on that for me?

15 SECRETARY MILLER: Yeah. Unfortunately,
16 making major system changes like this and getting all
17 the counties who each have - they don't all have their
18 own systems, but I think we have seven or eight
19 different systems now. Getting them onto one system
20 does take time. Part of that is having conversations
21 with each of those different counties who have
22 different systems now and finding out what their
23 business needs are. And they haven't been super
24 excited in some cases to move to a state system, so we
25 do have to bring them along.

1 One of the other things we're trying to
2 do also is create an enterprise-wide licensing system.
3 That's been another priority. These things are
4 priorities. Unfortunately, they do take time to make
5 sure that, once we get that system in place, it really
6 does meet everyone's needs. And a big part of these
7 system issues is about allowing lots of different
8 players to communicate much better. It's so important
9 because the Grace Packer tragedy - we never ever want
10 to have that happen again. So we have to do these
11 things.

12 In state government, making changes like
13 this do - it just does take time. And again, working
14 with the counties does take time. I wish this would be
15 up and running yesterday, but - but we are working on
16 it.

17 REPRESENTATIVE QUINN: Could you provide
18 the committee with say a detailed timeline, what your
19 metrics are, when you plan on - I think it is our role
20 to provide some type of oversight and guidance. And no
21 disrespect. We've seen a failure in our unemployment
22 system, failure in the rollout of the vaccine. And I'd
23 really appreciate if you could just provide us the
24 details.

25 SECRETARY MILLER: Absolutely. No

1 problem.

2 REPRESENTATIVE QUINN: Thank you, Madam
3 Secretary.

4 CHAIRMAN SAYLOR: The next questioner is
5 Representative Johnathan Hershey.

6 REPRESENTATIVE HERSHEY: Thank you,
7 Chairman. And thank you guys for being here.

8 My question - I'm trying to follow up on
9 a question from earlier, and it's probably most
10 appropriate for Deputy Secretary Buchenauer, about the
11 direct care worker training program that's proposed -
12 or at least you were answering the question earlier, so
13 I'll just put you on the spot now.

14 MS. BUCHENAUER: That's all right.
15 Thank you.

16 REPRESENTATIVE HERSHEY: So I'm trying
17 to understand something here. You mentioned that -
18 when my colleague asked earlier if this program was
19 funded anyway with \$1.8 million from the Long-Term
20 Living Fund, you mentioned that that was not the case.
21 So I'm - I'm curious, this \$1.8 million from the
22 Long-Term Living Fund that's outlined on page 190 of
23 the briefing materials you gave us, what - where
24 exactly did that money go and where was that
25 appropriated from?

1 MS. BUCHENAUER: I'm looking right now.

2 REPRESENTATIVE HERSHEY: Sure. It's
3 line number two, reflects a non-recurring fiscal year
4 2020/'21 payments to offer training skills and
5 educational opportunities for direct care workers, when
6 we mentioned earlier that that was not funded in the
7 prior fiscal year.

8 MS. BUCHENAUER: So I think - and maybe
9 Andrea can help me here. So I'm not exactly sure. I
10 believe that funding went to help provide funding for
11 agency direct care workers, not specifically for
12 participant directed direct care workers. They're two
13 different groups. As I explained before, participant
14 directed are hired and fired by the participant and
15 they're - they fall - they receive a paycheck from a
16 financial management service. Agency workers work for
17 large agencies or small agencies and receive their
18 paycheck from those agencies.

19 REPRESENTATIVE HERSHEY: And did we
20 appropriate that money in last year's budget? Because
21 I was having trouble finding out where this even came
22 from.

23 MS. BUCHENAUER: Yeah, I - that I don't
24 know. I'd have to get back to you on that.

25 REPRESENTATIVE HERSHEY: Okay.

1 And you mentioned that the - that the
2 proposed appropriations for the direct care worker
3 training program was to start in the future, in July
4 2021.

5 MS. BUCHENAUER: Uh-huh (yes).

6 REPRESENTATIVE HERSHEY: What you're
7 suggesting is this proposed program is different from
8 this one-time \$1.8 million transfer?

9 MS. BUCHENAUER: That's my
10 understanding, yes.

11 REPRESENTATIVE HERSHEY: Okay.

12 So you know, the biggest concern that I
13 have is just that, not even that we're overspending in
14 certain categories, but that the General Assembly
15 literally has not even created these line items, and
16 we're sending this unaccountable \$1.8 million somewhere
17 and we're not quite sure where that goes. Did the
18 agencies receive this money? Did the workers receive
19 this money? Did they get reimbursed to complete
20 training? What exactly happened with that?

21 SECRETARY MILLER: I'm sorry. We're
22 going to have to follow up with you on this one.

23 REPRESENTATIVE HERSHEY: I would
24 appreciate that. You know, I just - I want to make
25 sure that as we're looking at overspending in certain

1 categories, that we're just not shoveling money into
2 programs that we're not even sure where it goes. So I
3 appreciate that time - I appreciate your time in
4 answering my question, and I look forward to you guys
5 following up.

6 SECRETARY MILLER: Absolutely.

7 CHAIRMAN SAYLOR: Thank you,
8 Representative. Again, Madam Secretary, direct all your
9 correspondence directed to the Appropriations, and
10 we'll make sure that members get all - everybody gets
11 the same answers. Appreciate that.

12 With that, I want to call a virtual
13 member up, Representative Krueger.

14 REPRESENTATIVE KRUEGER: Thank you, Mr.
15 Chairman. And you will appreciate I'm keeping my own
16 time clock. I know that you're keeping us on a tight
17 schedule today.

18 Madam Secretary, thank you so much for
19 joining us here today. And I've got a couple of
20 questions about the demand - the increased demand for
21 services through your department because of the
22 COVID-19 pandemic. My office has seen a pretty sharp
23 increase in calls from folks who, for the very first
24 time, need to fill out a COMPASS application. The
25 COMPASS application, for folks who haven't used it

1 before, is the state application where folks would
2 apply for emergency benefits, like SNAP, for food
3 stamps, medical assistance, cash assistance, LIHEAP for
4 home - help with their home heating bills. And we've
5 spoken to a number of families who were actually denied
6 benefits through your department because they included
7 a determination letter from the Department of Labor &
8 Industry. They had been laid off through no fault of
9 their own. They had received a letter in the mail from
10 the Department of Labor & Industry saying this is the
11 benefit you could qualify for, and those benefits never
12 arrived. And yet, because they need to attach those
13 letters with their COMPASS application, your department
14 must have thought that this was money they were
15 actually receiving, and these are folks who were
16 waiting months for benefits. In some cases, those
17 benefits never actually came. They were ultimately
18 determined to be ineligible for unemployment
19 compensation.

20 Now, yesterday we had the Labor &
21 Industry Secretary before us. And one of the things
22 that she noted is it's taking 92 days, on average, to
23 adjudicate a claim. That means if there's a question
24 with an unemployment claim, it can take, on average,
25 which means it can take much longer than that, 92 days.

1 So that's three months where folks would have zero
2 income coming in. And very few families have three
3 months of emergency savings that can help them to pay
4 their bills in the meantime.

5 So my first question for you, Madam
6 Secretary, were you aware that this was happening?
7 Were you aware that people were being denied emergency
8 safety net benefits due to unemployment benefits that
9 they actually weren't going to receive?

10 SECRETARY MILLER: So Representative, I
11 know that, according to federal rules, we have to count
12 unemployment compensation income as income for purposes
13 of our benefits. So that - that I do know.

14 Some of that has changed I think with
15 the more recent passage of legislation, but I think in
16 the early days unemployment compensation benefits did
17 count against income - or counted as income for
18 purposes of eligibility.

19 REPRESENTATIVE KRUEGER: So here's the
20 problem with these determination letters. They're not
21 actually income. And I've been working with the
22 Department of Labor & Industry to see if we can change
23 the messaging on these letters because someone would
24 receive the letter in the mail, it says here's the
25 amount that you could be eligible for, and then it has

1 a dollar figure. And again, if this case goes into
2 adjudication, many times folks are determined not
3 actually eligible and they won't receive that money.
4 So a determination letter is not actually income and,
5 therefore, shouldn't be counted against your benefit
6 programs, unless someone has actually received payment
7 through - through a benefit card or through a direct
8 deposit.

9 SECRETARY MILLER: And we could
10 certainly follow up with you. I - I don't think this
11 issue had been brought to my attention, but we can
12 definitely follow up with you about whether this was an
13 issue that we saw.

14 REPRESENTATIVE KRUEGER: I know in my
15 office in Delaware County, when I checked in with my
16 staff about this, there's been at least ten families
17 who have been faced with this issue. So it's not just
18 a one-off case. You know, ten families in Delaware
19 County may not mean a lot to some folks, but these are
20 ten families who really need help to pay their heating
21 bill, to keep their rent or their mortgage paid, who
22 need help getting food. And we've seen folks in
23 tremendously desperate situations. I've personally
24 paid for folks to have access to a hotel so they
25 wouldn't have to sleep in the car with their kids for

1 the night. And so if this is something that you
2 weren't already aware of, I'd really like you to look
3 into it.

4 I would hope that somehow the Department
5 of labor & Industry and the Department of Human
6 Services can work together to fix this.

7 SECRETARY MILLER: We'll absolutely look
8 at it. Thank you.

9 REPRESENTATIVE KRUEGER: And can you
10 just tell me, you know, because of the pandemic and
11 because your department does run so many of these
12 programs that folks rely on when they find themselves
13 in need, oftentimes through no fault of their own,
14 what's been the - what kind of increases to demand have
15 you seen from your department over the course of the
16 last year?

17 SECRETARY MILLER: Yeah. So we've seen
18 our Medicaid population go up about 13 or 14 percent.
19 But again, it's - sorry, I don't know where to look.
20 But again, I think it's - it's important to remember
21 that, as a condition of receiving the enhanced FMAP,
22 the Trump Administration made it clear that we also
23 could not disenroll people from Medicaid, except in
24 very limited circumstances. So we are carrying at
25 least 257,000 people on Medicaid that would not

1 otherwise be eligible. So when we think about that 14
2 or so percent increase in Medicaid, a good portion of
3 that I think are people who otherwise probably wouldn't
4 be on Medicaid. But if we want that additional \$2
5 billion a fiscal year, we continue to provide services.
6 And of course, we're in the middle of a pandemic, so
7 having access to healthcare is important.

8 I lost my train of thought for the
9 second piece I was going to -.

10 REPRESENTATIVE KRUEGER: Other
11 programs, -

12 SECRETARY MILLER: Other programs, thank
13 you.

14 REPRESENTATIVE KRUEGER: - SNAP, LIHEAP.

15 SECRETARY MILLER: So SNAP, I mentioned
16 earlier we've seen less than a five-percent increase in
17 SNAP. We saw a larger increase into May - sort of the
18 early months of the pandemic. And then when we hit
19 May, we started to see decreases. And I think that's
20 because of those unemployment benefits that were coming
21 in for people. They were no longer eligible. So we
22 saw a decrease in the increase that we had initially
23 seen. So right now we're a little less than five
24 percent over our enrollment numbers that we saw in
25 February.

1 TANF has continued to decline, which
2 that's been a surprise to me, but that's been a program
3 that has continued to decline for years. And what we
4 saw in the pandemic is really very, very consistent
5 with what we saw prior. We're down at 77,000
6 individuals on TANF at this point, so that population
7 just continues to decline.

8 REPRESENTATIVE KRUEGER: Thank you. And
9 I look forward to working with your office on this
10 determination issue. I think it will help some folks
11 who are in a really tough situation right now.

12 SECRETARY MILLER: Absolutely.

13 REPRESENTATIVE KRUEGER: Thank you, Mr.
14 Chairman.

15 CHAIRMAN SAYLOR: Thank you. Chair
16 thanks the lady and recognizes the gentleman from
17 Adams, Mr. Ecker.

18 REPRESENTATIVE ECKER: Thank you, Mr.
19 Chairman. And thank you, Madam Secretary and the rest
20 of you folks, for being here today.

21 I'm going to shift gears back to some of
22 our direct care workers, more specifically as it
23 applies to our autistic and ID-type care. So I - we've
24 talked a little bit about this today, but I see the
25 proposed budget doesn't include an increase related to

1 minimum wage - the minimum wage initiative in any of
2 the intellectual disability or autism appropriations.
3 And the Blue Book indicates that there's no impact for
4 fiscal year - until fiscal year 2022 or 2023 at the
5 earliest. And the largest appropriation, community
6 waivers, not until 2024, 2025.

7 So can you explain to me how these
8 programs, which include services for direct care
9 workers, are not impacted by the minimum wage or the
10 proposed increase in minimum wage?

11 SECRETARY MILLER: Sure. So if you look
12 at the average wage of the individuals and our - we
13 call them direct support professionals, but our
14 essentially direct care workers in the ODP system,
15 their average - when we did our rates a few years ago,
16 their average wage was \$13 an hour. So - and again,
17 that's kind of what we see across most of our provider
18 areas. Really, the only provider group that would see
19 an increase this year with the \$12 minimum wage is
20 childcare workers.

21 REPRESENTATIVE ECKER: Yeah. But I
22 guess with that, though, there's - you know, when it's
23 an average, that means 50 percent are making more than
24 that. Fifty (50) percent are making less than that.
25 So I guess, you know - I guess one of my other concerns

1 here is that the Department itself has asked for an
2 increase in personnel costs over the last couple years,
3 including this year alone, by two percent. I guess I'm
4 just confused as to why, you know, our folks that help
5 with - our direct care workers that help with autism
6 and ID - and ID folks are okay, but the Department is
7 not okay with its personnel costs?

8 SECRETARY MILLER: Again, I think from
9 the minimum wage perspective, we just don't see
10 providers who are needing an increase due to minimum
11 wage because their workers are already making above
12 that minimum wage.

13 REPRESENTATIVE ECKER: Sure. I mean, I
14 think providers probably disagree with that, but is DHS
15 the primary payer of the residential reservices for
16 individuals with ID and autism?

17 SECRETARY MILLER: Do you guys know? I
18 don't know.

19 REPRESENTATIVE ECKER: Okay.

20 So what would happen if the rates aren't
21 sufficient to pay wages? Here's what I'm getting at.
22 Let me just get to it. You know, I think there's - you
23 know, we talk about these supplementals and things and
24 trying to, you know, pack - you know, try to really
25 estimate true cost so that we don't have these large

1 supplementals. And to me this - this seems like a
2 perfect example of where, you know, we're pushing a
3 minimum wage increase. I see this as just a huge
4 opportunity that - that we're going to have a huge
5 supplemental here because we just have - these rates
6 aren't going to be enough to cover these increased
7 costs with - you know, with a minimum wage, potential
8 minimum wage increase.

9 So again, I think this just goes back to
10 the fact of, you know, these cost containment
11 initiatives that we - you know, I think are really
12 important. I recognize there's always going to be some
13 supplementals, but you know, there's been a pretty
14 substantial one this year. And I think this is just
15 one of those areas that we're going to be looking at
16 next year as, hey, we need a - we need a supplemental
17 on these two lines when, you know, the folks that
18 provide these services I think are already underpaid to
19 begin with, you know, for these autism and ID lines.
20 I'd like to see us to be realistic about what it costs
21 to actually pay those workers. Thank you, Madam
22 Secretary.

23 SECRETARY MILLER: Thank you.

24 CHAIRMAN SAYLOR: Chair thanks the
25 gentleman, recognizes the gentleman from Philadelphia,

1 Mr. Brown.

2 REPRESENTATIVE BROWN: Good afternoon.

3 SECRETARY MILLER: Good afternoon.

4 REPRESENTATIVE BROWN: Quick questions.

5 I understand that DHS has spent a good amount of time
6 redesigning and re-imagining your employment and
7 training services. Can you explain why you undertook
8 these efforts and what you are specifically doing, and
9 also how do you envision people being better served.

10 SECRETARY MILLER: Thank you so much for
11 that question. This is an issue that we've been
12 working on now for about three years, since I kind of
13 first came to the agency. And one of the things we did
14 three years ago - and we started looking at the data,
15 first of all. We looked at the data around our E&T,
16 our employment and training programs to say how are we
17 doing. And when we looked at that data, we realized
18 we're not doing a very good job. If our goal is to
19 help people who are on TANF get off of TANF for the
20 long term and really be able to get out of poverty,
21 which is what we all want, it's what people on TANF
22 want, too, we weren't doing that very successfully.

23 What we found is that people were
24 transitioning into employment and 50 percent of them
25 were coming back to our programs within a year. So we

1 sat down with hundreds of our TANF participants and
2 asked them what they thought of these programs. And we
3 heard the same thing from them, that they really didn't
4 feel like these programs were making a difference for
5 them.

6 So we really started from scratch. We
7 said let's just redesign all of these programs.
8 Instead of just focusing on getting a job, which seems
9 to be how our programs were set up - the incentives for
10 our vendors was just get somebody into a job. You can
11 check that box, and then everybody's happy, except that
12 then they just come back onto our system within a year
13 and we're in the same place. But again, if you're that
14 vendor, that's okay because you get them another job.
15 You get paid again. So we just had this system that
16 wasn't working.

17 So we took a step back and said, okay,
18 let's stop focusing on just getting a job. Let's look
19 at the barriers that people are facing. And that's
20 really what we did, is we redesigned it so that our
21 incentives in the system now with providers is - our
22 vendors, instead of just trying to get somebody into a
23 job, let's start with what are the barriers they have
24 to being successful in employment. Maybe it's that
25 they don't have their GED. Maybe they don't have a car

1 and transportation issues are a big issue. Maybe
2 childcare is a big issue. But let's focus on those
3 issues first because how is somebody going to be
4 successful in an employment situation if we're not
5 addressing those barriers first? So we're addressing
6 those barriers and then focusing on opportunities to
7 get people into education or training programs.
8 Because, again, rather than just focusing on getting
9 someone a job, why not focus on getting someone a job
10 that could be a career and that they could support
11 their family on so that they don't need to be on public
12 assistance? And that's really ultimately what everyone
13 wants. When I sat down with our TANF recipients,
14 that's what they said, I just want to be able to
15 support my family. But they have so many barriers in
16 their way to getting to that point.

17 So now we're incentivizing our vendors
18 to help get someone a GED, to help get someone into a
19 training program or a credential, something that will
20 put them in a better place and hopefully allow them to
21 climb that economic ladder.

22 REPRESENTATIVE BROWN: Thank you. I
23 really appreciate that answer, and I look forward to
24 seeing this all come to fruition. Thank you.

25 SECRETARY MILLER: Me, too. Thank you.

1 CHAIRMAN SAYLOR: Chair thanks the
2 gentleman.

3 At this time we'll move into the
4 Chairman and Minority Chairs of the committees. Now,
5 Human Services has multiple committees that deals with
6 this department, so we'll start with the Chair of the
7 Human Services Committee, gentleman from Bucks, Mr.
8 Farry.

9 REPRESENTATIVE FARRY: Thank you, Mr.
10 Vice Chairman. Thank you, Madam Secretary for being
11 here.

12 I have more of a comment than a
13 question, but I'd appreciate any feedback you have. I
14 want to talk about choice. Obviously, there's a strong
15 drive to move individuals with disabilities to both
16 work and reside in the community. We've seen a lot of
17 pressure put on the day programs, where these
18 individuals who may be living at home with their
19 parents or a loved one go to work, and the negative
20 impacts, the reimbursement structure, has had on that.
21 Obviously, there's been a tremendous amount of
22 discussion around the closure of the state centers.
23 And I think we can all agree that if an individual can
24 work and live in the community, then they should if
25 that is --- if that is their choice and with the

1 support of the loved ones that provide them assistance
2 and care. And we obviously want everybody to be in a
3 clean and safe environment that meets their needs.

4 But likewise, a change of routine can
5 also be devastating. It takes a long time for some of
6 these individuals to build up the confidence and
7 support both in their workplace and where they're
8 residing. And you know, some of this - and some of
9 this came up in a hearing we had - the committee had
10 yesterday, that some of these movements to
11 community-based and three-to-one ratios - or
12 one-to-three ratios, I guess it would be, you know, in
13 the communities is putting a further strain on the lack
14 of direct support care professionals that we need and
15 hurting that shortage. Likewise, there's higher costs
16 for the providers. We heard from a provider yesterday
17 that's had to buy seven more vans to cover the
18 community inclusion component. And I think that we
19 really need to make these focused on person centered.
20 And the more we narrow the focus and the drive to the
21 community aspect, I think we're really limiting those
22 options.

23 When we had a lot of discussions on the
24 potential closures of the Shelters to Workshops,
25 obviously there was a very large rally in the Capitol

1 several years ago. There was a Human Services hearing
2 on that issue. And I know the Department was working
3 with the then chair to try and address that. But I
4 feel like we've kind of worked our way back into that
5 in a circular manner. And we've heard very clearly
6 from both the individuals and their loved ones about
7 their desire to continue working in the workshops, you
8 know, or living where they feel comfortable and one
9 size doesn't fit all. So if - if some of that
10 testimony was accurate yesterday in terms of the costs
11 that are being incurred by the providers, we don't want
12 the providers to go under. We want ample opportunity
13 for those residents to be where - where they are
14 comfortable, whether it's working or living. So if you
15 have any comment on that, I'd just appreciate to hear
16 it.

17 SECRETARY MILLER: Yeah. I mean, the
18 Department has definitely made a strong financial
19 commitment to our community participation support
20 professionals and providers, especially since the
21 beginning of the pandemic. We implemented retainer
22 payments to offset revenue loss during the COVID-19
23 related program closures. We've also, through
24 authority in an emergency Appendix K, received approval
25 from CMS to allow providers to flexibly deliver

1 services, so remotely, and support recipients that way
2 and still get paid for those services. So those have
3 been utilized in private homes, licensed residential
4 settings, assisting individuals and families to receive
5 needed care, and allowing providers to continue to bill
6 for those services.

7 We're also implementing enhanced rates
8 for services for providers through - beginning January
9 of this year through the end of June. And we'll be
10 providing some support for fixed costs as well. So I
11 appreciate your comments. I mean, I think what we find
12 is the vast majority of people with intellectual
13 disabilities want to be served in the community. It's
14 - it's why we have a wait list of 13,000 people waiting
15 for services in the community. They could go to an
16 institution but would rather be served in the
17 community, but - but I appreciate your comments.

18 REPRESENTATIVE FARRY: And I just think
19 it's important with the pandemic's impact on the
20 workshops and a lot of the providers, that we help
21 rebuild them when we get to a better time, you know,
22 because the individuals that want to send - the
23 families and individuals who want to work in those
24 workshops, that is the community to them. They're
25 there with their peers. There's quite often social

1 activities. And you know, some of these individuals
2 have bathroom issues, they have behavioral issues that
3 prevent them from actually working in the more
4 traditional community. So this has become their
5 community. I just think it's really important that we
6 continue to support that today as well as when we get
7 clear of the pandemic. So thank you, Madam Secretary.

8 SECRETARY MILLER: Thank you.

9 CHAIRMAN SAYLOR: Next is Representative
10 DeLissio.

11 REPRESENTATIVE DELISSIO: Thank you,
12 Chairman.

13 Secretary, you have mentioned the Shift
14 Program so that those children who may be outplaced due
15 to some degree of housing issues. Is that program -
16 are the details of that program, that pilot program,
17 have they been determined yet?

18 SECRETARY MILLER: Which pilot program
19 are you referring to?

20 REPRESENTATIVE DELISSIO: The Shift,
21 S-H-I-F-T.

22 SECRETARY MILLER: Oh, I haven't learned
23 all the acronyms yet. I think - is that our child
24 welfare?

25 REPRESENTATIVE DELISSIO: Yes.

1 SECRETARY MILLER: Okay.

2 That's the child welfare. Let me see.

3 REPRESENTATIVE DELISSIO: I was very
4 happy to hear about the social determinants of health
5 peppered throughout the hearing today. I hope to hear
6 those words even more often. And hopefully, all of my
7 colleagues will come to understand how important we
8 should be filtering all of our policy through the
9 social determinants of health if we really want a
10 return on investment for our tax dollars. So I was
11 curious if the details of that have been determined.
12 It must be a relatively small program. It's about a
13 million dollars.

14 SECRETARY MILLER: It is. So here's
15 what I know about it. So this is going to support a
16 multidisciplinary partnership between county child
17 welfare offices, community-based organizations and
18 housing partners to reduce the number of out-of-home
19 placements for homelessness and housing instability,
20 because we know - and unfortunately, what we find is
21 homelessness and housing instability could be a reason
22 that children are removed from the home. And I think
23 what we've also found is over time there's not a lot of
24 flexibility in finding streams so that we can actually
25 - to your point about social determinants of health,

1 that we can actually do whatever it is that family
2 needs to keep them together. And that's what this
3 pilot is all about. The funding is going to be used to
4 support the hiring of child welfare specific housing
5 locators who will be familiar with not only the child
6 welfare system but also local community resources
7 already dedicated to housing, the local landlords and
8 available housing inventory, and resources to manage
9 barriers that families are facing. So I think the idea
10 is to take that more holistic approach. And Dan
11 Jurman, with the Office of Advocacy and Reform, has
12 been really engaged here as well with OCYF as we talk
13 about how do we - let's create a pilot that allows us
14 flexibility to really meet that family's needs,
15 whatever they are, so we can keep them together, and
16 see if that can then have an impact on kids being taken
17 out of their homes. And if we can show that this pilot
18 is successful, maybe we can figure out how to get more
19 flexibility in these funding streams so that we can do
20 more of that, where we're looking at families and
21 saying what do we need to keep this family together.

22 REPRESENTATIVE DELISSIO: I appreciate
23 that, Secretary. I think in my tenure here in office,
24 which is now ten years, I've seen so many of these
25 programs, some of them with great intent, be so silo'd

1 without that flexibility. Their rigidity actually
2 works at cross purposes and is countered to the goals
3 we're all trying to achieve.

4 To the degree that that program should
5 include the concept of a community health worker, and I
6 don't know if that's appropriate in this particular
7 pilot, but when we have conversations about programs
8 that are looking at the social determinants of health,
9 this concept of community health workers that are
10 hyper-local neighborhood folks who are being gainfully
11 employed, that term is relatively new. It's not really
12 defined anywhere. And I'm finding a lot of folks
13 giving feedback, saying, boy, this is value, but we're
14 not sure how to measure it, not sure how to define its
15 return on investment. So I would urge the Department
16 that, to the degree that that category of discipline is
17 included in this, that we track it carefully because I
18 think that is a very cost-efficient way to proceed and
19 to get people gainfully employed.

20 Along the way we talked about county
21 rates for childcare being regionalized. Is that
22 striking - do you know what those regions are going to
23 look like? Are they going to follow the metropolitan
24 statistical areas, the MSAs that are used for, for
25 instance, Medicaid reimbursement, or is this a regional

1 gathering of counties or cities that is different or
2 yet to be determined?

3 SECRETARY MILLER: I wish Trace was
4 here. Do you guys in Budget know?

5 We'll have to get back to you. Our
6 Deputy for OCDEL would certainly be able to answer that
7 question. I just don't know it off the top of my head.
8 I'm sorry.

9 REPRESENTATIVE DELISSIO: Well, thank
10 you. I appreciate that.

11 And then just two more things very
12 quickly. The childcare and equity, I strongly suspect
13 that the number of stars on programs in lower income
14 neighborhoods is that one to two stars when, in fact,
15 the children who avail themselves of those programs in
16 those neighborhoods, lower income neighborhoods, would
17 probably really benefit from programs that had three or
18 four stars. So I'm looking forward to both reviewing
19 report in more depth on the equity issue because I do
20 think this is an equity issue and that there is a lot
21 to be gained by trying to do our best to level that
22 playing field to ensure that the children citizens of
23 the Commonwealth who are most in need and with the
24 least amount of resources readily available to them
25 have those resources available to them, particularly

1 through the childcare providers that are out there.

2 And just a comment. This would be my
3 11th budget year. I've been fascinated by this budget
4 process, having come from an almost 30-year private
5 sector career and having had to put together budgets
6 and submit them to Boards of Directors or shareholders
7 and, you know, fascinated by this concept of a
8 supplemental. So I have seen many budget years we have
9 shortchanged the citizens of PA, in my opinion, by not
10 fully funding or funding with non-recurring dollars a
11 budget and then forcing the topic of a supplemental to
12 occur and the affiliated dollars with that, and then
13 being somewhat surprised and chagrined that we're
14 having a discussion about a supplemental. So I don't
15 think there's something I've misunderstood over the
16 past ten years.

17 I, too, wish for a very, very honest
18 budget. And to me, an honest budget is a spending plan
19 plus the revenue plan, which equals a balanced budget.
20 We in the General Assembly seem to feel that if we pass
21 the spending plan by midnight on June 30th, we're all
22 buttoned down and we've met our constitutional
23 responsibility. My constituents are very clear about
24 how I feel about this and -.

25 CHAIRMAN SAYLOR: Representative, you're

1 way over.

2 REPRESENTATIVE DELISSIO: Thank you.

3 CHAIRMAN SAYLOR: I gave you a lot of
4 time, but -

5 REPRESENTATIVE DELISSIO: I appreciate
6 it, Mr. Chairman. Thank you. Thank you.

7 CHAIRMAN SAYLOR: - you're way over.

8 Next is Representative Frankel. I
9 believe he is virtual.

10 REPRESENTATIVE FRANKEL: Thank you,
11 Chairman Saylor.

12 Madam Secretary, thank you for being
13 here and thank you for taking these questions. I know
14 this can be a challenging process. You've been through
15 it many years, as have I. As you know, I have had a
16 long-time interest, and you and I have discussed over
17 the years even I think prior to the time you were the
18 secretary here in this administration, when you were
19 Insurance Commissioner in Oregon, about the impacts of
20 hospital consolidation and provider consolidation with
21 respect to the, you know, greatly increasing costs of
22 healthcare that - that we've experienced.

23 So one of the things that I was glad to
24 see in terms of one of - our proposals and one of the
25 things that are taking place is the benefit of the

1 rural health design, which would go a long way toward
2 stabilizing many of our really financially distressed
3 rural acute care hospitals and making them less
4 susceptible to the process of consolidation, which you
5 know, at the end of the day I see very little value to
6 other than increasing healthcare costs and in many ways
7 closing some of these hospitals. But I know the
8 Governor has proposed a Health Value Commission to
9 stabilize healthcare costs overall. And can you talk
10 about the proposal in some detail and what - what
11 benefits it might bring?

12 SECRETARY MILLER: I'm going to have Dr.
13 Jacobs talk about that, but I think your - your
14 provider consolidation, as a way to set this up, is
15 really interesting. So Dr. Jacobs.

16 DR. JACOBS: Sure thing. And thank you,
17 Representative.

18 So the Health Value commission, what it
19 would do, and it's legislation that have been drafted,
20 and we've done some - some briefings with the
21 legislature, and happy to do it more as well. The
22 Health Value Commission would be setting a healthcare
23 cost growth target and monitor payers and providers
24 against that target and have the authority to put into
25 place performance improvement plans if those targets

1 aren't met. And what it would do over - over several
2 years is it would save money for Pennsylvania families
3 and businesses. And when Massachusetts did this over
4 six years they found that it saved Pennsylvania
5 businesses and families over - over \$7 billion in terms
6 of premiums, and that translated into higher revenues
7 for the state. And so we - we think that if we were to
8 pass the Health Value Commission legislation, we could
9 save about up to \$6.4 billion between 2022 and 2026.
10 That would lead to increased revenues for the state,
11 because it would increase the revenue from income and
12 business income taxes to the state.

13 So in terms of consolidation, which was
14 the framing of this question, the Representative's
15 exactly right. Consolidation - when two hospitals
16 consolidate within a single state it increases prices
17 about seven to nine percent is what the research shows.
18 And it can increase prices up to 20 to 30 percent in
19 some cases. And so that would be all fine and good if
20 quality were to suddenly improve, but the evidence
21 there is decidedly mixed. Quality doesn't necessarily
22 improve when consolidation happens. And so with the
23 Health Value Commission, the Commission would have the
24 authority to do a public interest review of large
25 provider mergers, consolidations, changes in ownership,

1 just to make those - those changes transparent for
2 Pennsylvania businesses, families and consumers.

3 And so we think that this is a really
4 great proposal. We'd be happy to talk to the
5 legislature more because it would both save money and
6 really get to a healthcare system that we think would
7 improve lives for all Pennsylvanians going forward
8 after the pandemic.

9 REPRESENTATIVE FRANKEL: Thank you.
10 Thank you very much. Really appreciate it. I mean, I
11 look forward to working with you to further that
12 proposal because it just - I think we've got a long way
13 if we address this issue of a provider and hospital
14 consolidation, I think it's just been a way to
15 basically inflate our costs, as you've noted, and I
16 look forward to - for this commission to come into
17 existence and to work together to do that. Thank you
18 so much.

19 CHAIRMAN SAYLOR: Thank you,
20 Representative. With that, I'll recognize
21 Representative Delozier.

22 REPRESENTATIVE DELOZIER: Thank you, Mr.
23 Chairman.

24 I just wanted to start - thank you all
25 for being here. I know there's been a lot of questions

1 and a long day, so - these days do get a little - get
2 tiresome with back-and-forth, but thank you for the
3 information.

4 I do want to start - actually, one of my
5 questions is on childcare. And I know my fellow
6 Chairman with Children & Youth had asked about the
7 regions. And I have the press release from the
8 administration here that mentions that the regions will
9 be calculated based on the early - if I read it
10 officially, Earning Learning Resource Center regions
11 that are already established. So there'll be 19
12 regions for what is necessary.

13 So with childcare being the issue that I
14 did want to ask you a little bit about, the ability for
15 us to deal with - when we have talked in the past, with
16 the pandemic last year, about 400 shut down and - but
17 you had mentioned when - in conversations about 300 had
18 reopened. So I want to get a little bit more detail on
19 that. And that issue is, where do these - do we have a
20 record as to who shut down and who - I mean, I know we
21 have the record, but can we get that information as to
22 where they were located? Because I know I had a couple
23 in my neck of the woods that shut down. I don't know -
24 I'm not aware of any that opened up. Can we get that
25 down, I'm not expecting you to have it off hand as to

1 exactly where all 400 of them are, but can we get that
2 information as to which ones shut down and which ones -
3 and where did the new ones open up?

4 SECRETARY MILLER: Whatever information
5 we have that we can release, absolutely.

6 REPRESENTATIVE DELOZIER: Okay.

7 And along with that, my question goes to
8 the fact of do we know how many of the ones that
9 reopened were under the same ownership of ones that
10 possibly shut down?

11 SECRETARY MILLER: I think we probably
12 have that as well. I don't think of it so much as
13 reopening at - that hasn't been the way we've talked
14 about. We talked about facilities opening. But I'm
15 sure we have information about whether it's the same
16 owners and that sort of thing.

17 REPRESENTATIVE DELOZIER: Okay.

18 And I mean the ones that are going out
19 of business versus re - you know, starting a new
20 business.

21 And my question that goes along with
22 that is the fact of reimbursement as well. And my
23 understanding is that because a new facility might
24 open, they may get a higher reimbursement. And my
25 question goes, are you aware of the fact that people

1 that may own a certain business and then shut it down
2 and then reopen it under a new auspices, whether it's a
3 new type of childcare, get a higher reimbursement
4 because it's a newer business, if they open at a higher
5 rate?

6 SECRETARY MILLER: I guess it depends on
7 - I don't know if you're talking about like stars. So
8 if they come in and they are Star Four, for example,
9 then they get tiered reimbursement rates that are
10 higher. So if they can meet those criteria - I don't
11 know if that's what you're talking about or -.

12 REPRESENTATIVE DELOZIER: Well, the
13 ability with the Childcare Works Program and the
14 reimbursement, my understanding - and that's what I
15 wanted to get clarification on, is the issue that if
16 they open and their rates are \$100 and they pay 75
17 percent, just - I'm throwing out a number, then if
18 somebody opens up and their rates - and they open under
19 new auspices at \$150, that obviously that reimbursement
20 rate would be higher because they're still getting that
21 75 percent. So I'm just trying to clarify as to
22 whether or not by reopening under another name, do they
23 get a benefit of more reimbursement?

24 SECRETARY MILLER: We'll - we'll get
25 back to you on that because I certainly don't want to

1 give you the wrong information.

2 REPRESENTATIVE DELOZIER: Okay.

3 SECRETARY MILLER: So we can get back to
4 you.

5 REPRESENTATIVE DELOZIER: Okay.

6 No, I appreciate because the concern was
7 with so many shutting down and so many reopening. And
8 along with that goes to the question of child abuse.
9 If somebody would shut down and having complaints
10 against them in any way, is that tracked with a similar
11 association reopening, but they still are really under
12 the same auspices of the same folks that really had
13 something come against them for child abuse?

14 SECRETARY MILLER: Yes, that is
15 something we track.

16 REPRESENTATIVE DELOZIER: Okay.

17 Because that - the ability for us to
18 make sure - and that goes to the communication within
19 the counties as well, families moving and breaking down
20 those silos. So -

21 SECRETARY MILLER: Absolutely.

22 REPRESENTATIVE DELOZIER: - it's the
23 same kind of message.

24 The issue - I'd like to switch a little
25 bit to Family First. And I know we're going to be

1 having a hearing on that with the committee, so we'll
2 get a lot more information. But some of the questions
3 and a little bit of the frustration, so if we can lay
4 the ground work a little bit of 2018, you had and
5 you've mentioned that you had hearings and - or I'm
6 sorry, you had workshops. Can you explain to me and
7 catch us up as to the fact of why over the last three
8 years are we not ready for this final implementation
9 and where we're cutting it off at October 1st? My
10 understanding, that's the last chance to become active
11 within this. Why is it that we haven't brought those
12 counties along to be ready at this point and that it's
13 now costing us \$30 million.

14 SECRETARY MILLER: It's a huge shift,
15 and Gloria can certainly chime in here. She's much
16 closer to this, coming from OCYF. But what we're
17 talking about with Family First is a huge shift from
18 congregate care to serving people in the community,
19 right. And that's what we've been working on with the
20 counties for a long time. And we've actually made some
21 - quite a bit of progress there.

22 The change in the delay - or the delay
23 in the implementation is simply about saving money. We
24 did that because we're already moving in this
25 direction, but it doesn't - as somebody pointed out

1 this morning, it doesn't happen overnight. You don't
2 just shift everyone in congregate care to the community
3 without having those community resources in place. So
4 that just takes time. And truly, the delay was just
5 about why not save \$8 million if we can, and - and then
6 it is going to be a hit for the state.

7 REPRESENTATIVE DELOZIER: Well, and I
8 guess - and along with that question is the fact - and
9 I understand things take time. I've been in government
10 a long time, unfortunately, and I know how slow we can
11 operate. But if we knew that there was a deadline, we
12 know that three years out that we are going to have
13 this deadline, I guess my frustration is why haven't we
14 moved, recognizing we have a deadline. And I get that
15 there's ups and downs and there's pandemics -
16 obviously, that wasn't expected, certainly - but the
17 capability of us to recognize a deadline I guess is
18 frustrating when we don't - we know it - we know when
19 it is, we know when the line in the sand is, and we
20 don't meet it.

21 SECRETARY MILLER: Yeah. I think three
22 years to transition this type of a shift is - is really
23 not realistic.

24 REPRESENTATIVE DELOZIER: Well, how many
25 counties are ready to go?

1 SECRETARY MILLER: Well, I don't know
2 that it's that simple. It's - it's making sure that
3 you've got community services available and making sure
4 that they're available so that, instead of going to
5 congregate care, people can go to those facilities.

6 I can tell you that statewide we've seen
7 a 20-percent drop in dependent children placed in
8 congregate care between July of 2018 through July of
9 2020. So we have made progress. I just don't think
10 it's realistic to think that in three years we're going
11 to make enough progress that we won't see a drop in our
12 funding.

13 REPRESENTATIVE DELOZIER: Did other
14 states make that progress?

15 SECRETARY MILLER: I don't know.

16 REPRESENTATIVE DELOZIER: Because I'd be
17 curious as to the fact we're all - we all got - had the
18 same law passed in 2018, how many went ahead and was
19 able to be successful. Because I know a lot of states
20 opted in long before we did. So if they've opted in
21 before we did, how did they get ready and we didn't?

22 SECRETARY MILLER: And I think one of
23 the issues - I don't know that, but I also think you'd
24 want to compare states in terms of what they looked
25 like previously. Because if you had states that didn't

1 really use much congregate care, it was probably much
2 easier for them to do it quicker, but -.

3 REPRESENTATIVE DELOZIER: I would be
4 interested in that comparison as to what states and
5 where they stand versus Pennsylvania. That would be
6 very interesting. Thank you very much.

7 SECRETARY MILLER: We have that. We'll
8 definitely share it.

9 CHAIRMAN SAYLOR: Thank you,
10 Representative.

11 Next is Representative Bradford.

12 REPRESENTATIVE BRADFORD: Thank you,
13 Chairman. In recognition of your birthday, I wasn't
14 going to talk about underfunding - underfunding
15 entitlement line items, but I figure I kind of have to.

16 Real quick, I just want to run through
17 some of these lines, which I know keep bubbling up in
18 conversations about supplementals and how the office is
19 operating, how the Department is.

20 Medical assistance capitation, routinely
21 underfunded to the tune of - would half a billion
22 dollars be accurate?

23 SECRETARY MILLER: Budget?

24 MS. RACE: I can't speak to prior years
25 other than last year we were about \$150 million

1 underfunded in capitation.

2 REPRESENTATIVE BRADFORD: 150. What
3 about medical assistance fee-for-service?

4 MS. RACE: The same.

5 REPRESENTATIVE BRADFORD: Medical
6 assistance Community HealthChoices?

7 MS. RACE: I don't believe there was a
8 cut by the legislature to that specific line. But in
9 our supplemental this year there is an additional \$85
10 million tied to that program.

11 REPRESENTATIVE BRADFORD: And what about
12 the Medicare drug program?

13 MS. RACE: There - one moment, please.
14 Sorry. Yeah, there's - \$5 million of the supplemental
15 is tied to the medical drug program.

16 REPRESENTATIVE BRADFORD: And what's the
17 full amount of the supplemental?

18 MS. RACE: \$941 million.

19 REPRESENTATIVE BRADFORD: Got you.

20 Now, if I put out that the underfunding
21 - just arbitrarily, when we passed our seven-month
22 budget last November, we underfunded - \$322 million is
23 what we're showing, just arbitrarily off the top,
24 before anything else happened. Is that a fair
25 assessment?

1 MS. GILLIGAN: Yes.

2 REPRESENTATIVE BRADFORD: Okay.

3 Now, \$312 million, there was a payment
4 roll, which again is this making 11 months of payments
5 instead of 12 or three-quarters instead of four-quarter
6 payments. We didn't want to make one of those payments
7 depreces, cuts the spend number, means you got to spend
8 a little much, and you just keep pushing it off into
9 the future.

10 We're proposing - the Governor's
11 proposing realignment - realigning costs. Again, the
12 payment roll is baked into the cake. The Governor is
13 actually trying to be intellectually honest in making
14 the payment. That costs us another \$312 million. Is
15 that the other third of the \$900 million supplemental?

16 MS. GILLIGAN: I think there are a
17 number of factors. And I think Secretary Miller spoke
18 earlier about the additional people that we're carrying
19 in the capitation and fee-for-service program
20 specifically tied to being able to draw down that
21 enhanced FMAP.

22 REPRESENTATIVE BRADFORD: Right.

23 MS. GILLIGAN: So there's definitely an
24 impact from those.

25 Andrea, I don't know if you can speak

1 more directly to the - to the rolling payment, but yes,
2 that's a - that's a piece, but it's not the only thing.

3 REPRESENTATIVE BRADFORD: The last
4 third, about \$308 million, is change in cost due to
5 caseload. Obviously, there's been a pandemic. My
6 understanding is correspondence was provided by your
7 department saying that you expected at least \$200
8 million of that to be incurred before the passage of
9 the seven-month budget.

10 Is that accurate?

11 MS. GILLIGAN: Yes.

12 REPRESENTATIVE BRADFORD: Okay.

13 So when we talk about this \$941 million
14 supplemental as overspend, about a third of it was an
15 arbitrary cut that was made in the original budget?

16 MS. GILLIGAN: Yes.

17 REPRESENTATIVE BRADFORD: A third of it
18 is a - is a budgetary gimmick that is being made right
19 in this year's budget. And another third, while
20 informed prior to the budget's passage, is as a result
21 of increased caseload.

22 I think people need to understand these
23 supplementals - which, listen, a billion-dollar
24 supplemental doesn't make anyone happy, but there is
25 that looking in the mirror issue that we have to do

1 here in the legislature. And when our - when we cast
2 aspersions and act like everything's an overspend and
3 not look at the financial gimmicks that are played in
4 order to make our budgetary system work, when we don't
5 look at the cost of a pandemic and when we don't like -
6 literally, when we just arbitrarily, at the last minute
7 in a budget, make a cut of over \$300 million, I don't
8 think that speaks well to this legislature to then
9 throw you guys under the bus. Can we be more
10 efficient? Absolutely. But I think we've also got to
11 not be parochial in how we do that.

12 I heard the Chairman of Health, our
13 Democratic Chairman, Representative Frankel, talk about
14 the importance of critical access hospitals in rural
15 Pennsylvania. I'm not from rural Pennsylvania. I
16 don't pretend to know those issues. And I heard the
17 good gentleman from northeastern PA talk about the
18 importance. It's 102-percent reimbursement, and it's a
19 good program, and it's great that a Democrat from
20 Squirrel Hill, Pittsburgh, recognizes that. But I
21 would also notice that when that parochialism seeps
22 into these debates and a \$13 million appropriation for
23 the north Philly Health Enterprise Zone is talked
24 about, somehow that's waste.

25 Now, that's trying to get folks who are

1 super utilizers to not utilize as much healthcare costs
2 and to deal with the social determinants of health.
3 But over the last ten years, when we spend \$193 million
4 on good government in rural Pennsylvania, which is
5 truly just a handout - and I'm not saying that's a bad
6 thing. It's a supplement, because if those hospitals
7 closed for the very reasons we've discussed and the
8 doctor explained, it would increase costs. But when we
9 play that parochial game, Philly versus rural or east
10 versus west, we do so to the detriment of healthcare in
11 Pennsylvania. And I think we do so in a mistaken way.

12 I'd also like to point out some of our
13 members have talked about things they'd like to see.
14 The good gentleman from Lancaster would like
15 taxpayer-funded assisted living. I'd like you to know
16 that this caucus stands with you and ready to enact
17 that. But as an Appropriations Committee member, you
18 should know it's about \$500 million annually to do
19 that.

20 If we are going to do assisted living,
21 and I think we should, and we should take you up on
22 your suggestion, then we need to come up with a way to
23 fund it. And I would suggest more cycle rolls is
24 probably not the way to go about doing it.

25 If we're going to talk about, hey, where

1 are we going to cut, then let's start putting programs
2 and names and people and, yes, the demographic
3 challenges of Pennsylvania, into focus. So where would
4 we cut and what would that look like? And cuts must be
5 part of any reasonable budget, as must revenue, as must
6 revenue. So would we cut supplements to mandated
7 programs, CHIP? We could do that, I guess, if someone
8 wants to. I don't see anyone ever offer that. I often
9 hear when the Governor offers revenue, let's see your
10 proposal. This Governor has. Now I'd like to see the
11 offer for cuts. We could cut non-mandated programs.
12 Who took to the microphone today to talk about cutting
13 expanded medical services for women? Who took to the
14 mic to talk about cutting breast cancer screening, rape
15 crisis, domestic violence, evidence-based home
16 visiting? I didn't hear people stand in line to
17 suggest what cuts they want to make. And we could cut
18 administrative cuts.

19 The gentleman has spoken rightfully
20 about the need to cut waste, fraud and abuse. That is
21 not a partisan issue. There is no partisan advocacy
22 for those who would take advantage of the system. But
23 would they suggest that they cut the very staff that
24 investigates those claims? Would they suggest we cut
25 work supports for those who rightfully want to see

1 those folks who have fallen on hard times to get back
2 on their feet? I don't think they would. Would we
3 want to go after a child support program that has won
4 accolades? I don't think these are ideas that people
5 want to cut.

6 And then we have to talk about what the
7 cost drivers really are. And that is difficult, right,
8 because when you get past the waste, fraud and abuse
9 talk and you get past the, oh, we should cut this or
10 that, in a \$47 billion budget you've got to realize
11 it's grandmom and grandpop, it's those with
12 intellectual disabilities. They are the ones that are
13 the highest costs. They are the ones that have the
14 higher increase year after year. And yet, they are the
15 ones we owe an obligation to provide services for. It
16 is easy to demagogue. It is easy to be parochial. It
17 is easier - easy to say let's cut without any
18 recognition of who it is that is impacted by those
19 cuts. But when you dig a little deeper and you get
20 past the easy, cheap, political comments, you might
21 recognize that in a state with the demographic
22 challenges that we have, that if we're going to talk
23 about cuts, you need to propose them and put names to
24 them and talk about what demographic you would target
25 for those cuts. And if you want to demagogue this

1 department, one, we should be careful in the words we
2 use, clearly, but we should also recognize the fiscal
3 realities that we've created for them.

4 This is not easy. There is much work to
5 be done. We should do so in a bipartisan way that
6 reflects the realities of their budget, the
7 demographics of this Commonwealth, and the restraints
8 that this legislature has put upon them.

9 So with that, Chairman, I wish you a
10 happy birthday. I know you will not agree with me on
11 entitlement spending and the chronic underfunding of
12 those lines, but if we're going to have a serious
13 budget discussion about revenues and cuts, I would
14 suggest we talk about them, even on your birthday, what
15 cuts you propose and what revenues you would like to
16 see to offset those cuts. Thank you.

17 CHAIRMAN SAYLOR: I must remind the
18 gentleman it was not this side of the aisle who decided
19 to do cycle rolls. It was your Governor and your
20 Budget Secretary who decided and wanted to do a
21 two-month cycle roll. And I prevented that and did
22 compromise with the Governor and the Secretary of the
23 budget to allow one month, which I still disagree with.
24 So I'm glad that you brought that up because it's on
25 your Governor and mine, but I want to make it clear it

1 was your side of the aisle who asked for a two-month
2 cycle roll, not this side of the aisle. We opposed it.
3 But we did compromise in good faith with the Governor
4 and the Budget Secretary.

5 And I would also remind the gentleman on
6 the other side of the aisle that it is the General
7 Assembly who decides how much departments can spend,
8 not the Secretaries. And it - we passed a budget, just
9 like - I'm a small businessman - or I was before I came
10 here. When somebody overspends their budget, most
11 likely - the Representative from Philadelphia mentioned
12 about she never heard about supplementals. That's
13 because in the business community supplementals usually
14 cost somebody their job. So just keep that in mind.
15 And as you talked about spending and cuts and
16 everything else here, we don't need to make cuts if we
17 were to cut regulations and to lower taxes. We could
18 keep the young people here in Pennsylvania to pay for
19 those senior citizens who are running up our budget. I
20 agree with you, gentlemen. But you know, we never talk
21 about that. We always talk about everything else but
22 that.

23 So Madam Secretary, earlier today in the
24 hearing you said about chronic underfunding, which the
25 gentleman on the other side of the aisle mentioned as

1 well, but I really find the comment incredible when you
2 consider the fact that we included last year the \$941
3 million that you asked last year roughly, somewhere in
4 this neighborhood. And this year, again, you're back
5 asking for \$941 million supplemental and we only
6 underfunded you, which we tend to like to do because we
7 know if we give you everything you ask for, you tend to
8 spend more. And it's not just you. It's all the
9 departments do that. How can I spend this money when
10 it comes to the end of the year? We found that out in
11 government. That's no - that is not a secret. You ask
12 any County Commissioner or any Township Supervisor,
13 agencies that receive dollars just keep spending.

14 So in the end, your department has seen
15 an increase, a \$4.4 billion in state funds. That's a
16 40-percent increase under this Governor so far. And
17 we're not to the end of his term. You know, 40
18 percent, how we justify that to the taxpayers of
19 Pennsylvania on that kind of a cost and increase?
20 Sounds like it's not chronic underfunding. I really
21 believe it's mismanagement within the department.

22 Now, it's a large department. You heard
23 that talked about earlier. And I understand that. And
24 maybe there's some solutions to that that somebody
25 needs to solve. But the bottom line is this department

1 cannot continue doing this. The taxpayers are not an
2 open wallet that can continue to fund these kind of
3 increases. At what point do we say we're going to tax
4 people at a 50-percent level? Because we're getting
5 close to that right now when you include all the taxes
6 that the people in this Commonwealth pay.

7 So the increase that you have of nine
8 percent this year, I get the mandates from the Federal
9 Government, but your department also sets what benefits
10 those people receive. The Federal Government doesn't
11 tell you. You set those decisions. So you really do
12 control those costs by the decisions you make in the
13 department, on what benefits are there.

14 And I know my colleagues on the other
15 side of the aisle are real excited here to look forward
16 to voting on the Governor's nearly 50-percent tax
17 increase. And I look forward to seeing them put their
18 vote up or maybe introduce that bill, which I haven't
19 seen yet. Well, let's be honest. At the rate the
20 Department of Human Services is spending, that tax
21 increase won't even last two years.

22 Now, I'm not going to - I'm going to be
23 honest, I'm not saying it's all your fault, but it is
24 your department's fault. There is not good management
25 up and down the line. I hear it from your own

1 employees. I get anonymous texts, anonymous emails
2 from your employees talking about waste and
3 mismanagement. So all I say on that part is something
4 has to change. Something has to change in the
5 Department of Human Services, because either that or
6 the taxpayers of Pennsylvania are going to do what the
7 people in New York and New Jersey and California are
8 doing, they're leaving the state. We're already losing
9 too many young, educated. We have the best education
10 system in the country here in Pennsylvania, yet we
11 can't keep young people here in Pennsylvania, because
12 there's lower taxes and better benefits elsewhere.

13 So also earlier today you had said that
14 you had not analyzed the impact of the 15 million - \$15
15 minimum wage. So we're looking forward to seeing that
16 report from your agency because, according to national
17 studies, a 15 percent minimum wage increase will cost
18 the average family a 21-percent increase in childcare
19 costs. That's roughly \$3,000 more a year.

20 Look, we all care about children. I
21 don't know, Madam Secretary, if you or anybody on this
22 panel today has children in daycare. You know what
23 that cost is. And 3,000 more is making fathers and
24 mothers decide whether one of them has to quit working
25 because they're not making what it takes and justifies

1 them working, rather being a stay-at-home dad or
2 stay-at-home mom. And we shouldn't have to force them
3 to make that decision. So I just ask you to understand
4 the impact of a 15-percent minimum wage on that.

5 So Madam Secretary, as we move forward,
6 we need to engage the General Assembly in these
7 discussions. We're always open to reforms and changes
8 that will be cost-saving measures for your department.
9 We want to work as a team. Representative Bradford, on
10 the other side of the aisle, always talks about
11 partisan - bipartisanship, and I agree with him, but it
12 can't just always be us submitting them and people
13 saying no. I've heard no so many times that I'm tired
14 of hearing it.

15 Changes have to be made in the system.
16 We have people in the system who are falling through
17 the holes. We need to do more for people with
18 intellectual disabilities and our seniors. But because
19 we're not, in my opinion, and I think in most people in
20 this state, if we were to do a vote tomorrow, an
21 election tomorrow on the Department of Health and Human
22 Services, I think you'd be aware of what would happen
23 to your budget. People are frustrated. They go to the
24 grocery store and are trying to meet their budgets, at
25 the same time trying to also support people who don't

1 want to work and aren't working. At the same time they
2 see family members who have disabilities and seniors
3 who are having a tough time making a living. We have
4 to do better in how we manage these programs. And that
5 also means, by the way, Madam Secretary, we need to do
6 a better job talking to our U.S. Senators, Casey and
7 Toomey, and our congregational delegation, about giving
8 us more flexibility to make these decisions.
9 Pennsylvania's not Iowa. We're not California. We're
10 not Texas. We here in Pennsylvania, the General
11 Assembly as a team, bipartisanly, can decide how best
12 to serve the Pennsylvania taxpayers.

13 And I want to thank you and your team
14 for being here today. I really appreciate it that you
15 came in person. And I thank you for that.

16 And with that, I'm going to announce our
17 hearing tomorrow morning will be at 10:00 a.m., here
18 with the Budget Secretary. And with that, this hearing
19 is adjourned.

20 SECRETARY MILLER: Thank you. And happy
21 birthday.

22 * * * * *

23 HEARING CONCLUDED AT 2:47 P.M.

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CERTIFICATE

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